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NEWS SUMMARY

GENERAL

Scarman warns of army 'on streets'

Lord Scarman said the Government might have to call the army on to the streets unless the police won the support of the public.

He was speaking in the law and order debate in the House of Lords. The Commons is due to deal with the topic today.

The Lord Chief Justice blamed the increase in youth crime on glossy pornography, and attacked the Met's crime figures as "misleading." Earlier story, Page 10.

Trident bids aid

A range of measures were agreed to help British industry bid for sub-contracts in the American Trident missile programme. Back Page

Bangladesh coup

Bangladesh's army chief, Lieutenant-General Mohammad Ershad, seized power in an apparently bloodless coup. Page 4

'Cut traffic'

The Greater London Council will consider charging drivers of private cars for access to central London. Page 7

Reagan venue

President Reagan will address Parliament from the Royal Gallery, and not in Westminster Hall, when he visits in June. Page 10

TUC aids Poles

The first of six lorries carrying TUC-organised aid worth a total of nearly £250,000 to Poland left London. Picture, Page 9; Jaruzelski to visit East Germany, Page 2

Empirical poser

A British gunboat was sent from Port Stanley, capital of the Falkland Islands, to South Georgia, whose sovereignty was challenged by Argentine scrap merchants at the weekend. Men and Matters, Page 22

EEC jubilee

The Treaty of Rome, founding charter of the European Community was signed 25 years ago today. Feature, Page 22

Life for arsonist

A waiter was sentenced to life imprisonment for starting the fire at the Las Vegas Hilton hotel in which eight died last year.

Typhoid fears

Thirteen people, mostly children, are in hospital in Southampton after a typhoid alert. Two cases of the disease have been confirmed.

Ripper charity

A Bradford man offered £1,500 to set up a trust fund for the 23 children of victims of the Yorkshire Ripper.

Burger champs

British hamburgers are better than American ones, according to Egon Ronay's new guide to fast food. Page 7

Briefly . . .

Biggest hashish haul in Australia—two tonnes—was seized off a ship in Sydney.

Melbourne seagull survived an operation to remove a crossbow bolt from its neck.

FINANCIAL TIMES

The Financial Times apologises to those readers who were unable to obtain a copy of the newspaper yesterday. This was because of production difficulties.

BUSINESS

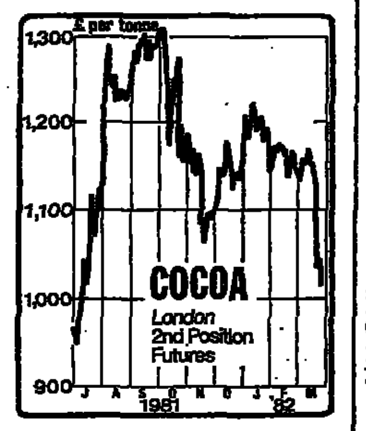
Gilts weaken; Gold up $2.50

● **GILTS** turned easier after their recent rally. The Government Securities index shed 0.42 at 69.12. Page 36

● **EQUITIES** were narrowly mixed. The FT 30-Share index ended 1.7 lower at 562.6. Page 36

● **GOLD** rose $2.5 to $332 in London. In New York the Comex March close was $333.9. Page 29

● **COCOA** prices hit an eight-month low on rumours that Nigeria's economic crisis



might force it to sell. The May futures position was £28 lower at £1,016.5. Page 35

● **DOLLAR** eased to FFr 6.215 (FFr 6.2525), SwFr 1.895 (SwFr 1.896) and Y243.25 (Y245), and firmed to DM 2.385 (DM 2.3845). Its trade-weighted index was off 0.1 at 114.8. Page 29

● **STERLING** put on 69 points at $1.8085. It rose to DM 4.315 (DM 4.2) and SwFr 3.43 (SwFr 3.42) but was down at FFr 11.235 (FFr 11.265). Its Bank of England index was 91.4 (91.2). Page 29

● **WALL STREET** was off 3.04 at 823.63 before the close. Page 34

● **THE REAGAN** Administration will oppose any attempt by Congress to impose trade penalties on countries which restrict access of U.S. goods to their markets, officials said. Back Page

● **STOCK EXCHANGE** resisted insurance companies' calls to cut substantially the charges made by brokers on gilt-edged purchases in the stock market. Page 8

● **CHEMICALS** industry said capital investment for the next three years would total £4.6bn, a fall in real terms of more than 6 per cent from 1979-81. Page 6

● **SIR KEITH SHOWERING,** chairman and chief executive of *Allied Lyons, died at 51. Sir* Derrick Holden-Brown, vice-chairman, will replace him. Obituary, Page 8

● **WEST GERMANY'S** cabinet aproved a five-year, DM 12.8bn (£3bn) research programme on alternatives to oil, especially nuclear power. Page 2

● **SOUTH AFRICA** raised individual and corporate taxes for the second time in less than two months, because of the weak gold price. Page 4

● **PRUDENTIAL** Corporation saw a rise of nearly 40 per cent in life profits last year to £550.2m and raised its dividend to 12.5p *(11p) with a final of 8p.* Page 26; Lex, Back Page

● **BICC** reported group pre-tax earnings up 37 per cent to £101.9m in 1981 after a strong performance in overseas cable-making. Page 24; Lex Back Page

● **AM International,** U.S. office equipment company, reported net losses in the quarter to January of $28.6m (£15.8m), for a half-year loss of $44.5m. Page 31

Soviet Union woos China with call for fresh border talks

BY DAVID BUCHAN, EASTERN EUROPE CORRESPONDENT

THE SOVIET UNION is "ready at any moment" to reopen border talks with China and to end "the state of hostility and estrangement" between the two Communist superpowers, President Leonid Brezhnev said yesterday.

Mr Brezhnev's overture, contained in a speech made in Tashkent, close to the northwest Chinese frontier, was the most emphatic conciliatory gesture from the Soviet Union since the dispute over the border between the two nations took them to the brink of war in 1969. Significantly it comes at a time of mounting tension between China and the U.S. over U.S. arms sales to Taiwan.

There was no immediate reaction from Peking. The Chinese leadership is considered unlikely to respond positively in the short term to the Soviet leader's offer of an olive branch unless it is followed by concrete concessions.

But Mr Deng Xiao Ping, the Chinese leader, was yesterday quoted as saying China was "well prepared" to downgrade relations with the U.S. because of the Taiwan issue.

Mr Deng's comments were made last month to Prince Norodom Sihanouk, the former Cambodian ruler, but were reported in Peking only yesterday.

Pointedly Mr Brezhnev noted in his Tashkent speech that the Soviet Union had never quarrelled with Peking's "sovereignty over Taiwan island," the precise issue that is straining Peking's relations with the Reagan Administration.

Any shift in the power triangle between the U.S., the Soviet Union and China could have immense consequences.

It was the Sino-Soviet rift in the early 1960s which opened the way for the U.S. to establish ties with Peking. It has tied down as many as 46 Soviet divisions on its 4,000-mile far eastern border with China.

Mr Brezhnev played down ideological and territorial disputes with China. "We did not deny and do not deny now the existence of a socialist system in China—although Peking's sanction with the policy of imperialists in the world arena contradicts, of course, the interests of socialism.

The Kremlin was ready to reopen border talks and also to discuss "possible measures to strengthen mutual trust in the arena of the Soviet-Chinese frontier."

This could mean pulling back troops on both sides, although Mr Brezhnev did not say so.

The disputed Sino-Soviet border along the Amur and Ussuri rivers led to an armed clash in 1969.

Desultory negotiations to resolve this issue were abandoned in 1978, but last autumn the Soviet leadership started making public suggestions that the talks should be resumed.

The differences between the two powers have been exacerbated by Chinese objections to the Soviet invasion of Afghanistan and its involvement in Vietnam and Kampuchea.

Mr Brezhnev's speech, which also called on Japan to reconsider a Soviet proposal made last year for military confidence-building measures in the Far East, was astutely timed.

It comes before the expected arrival of Mr John Holdridge, the U.S. Assistant Secretary for Far East Affairs, in Peking in the next few weeks.

Some observers believe it may just be a facet of a wider *peace propaganda drive, of* which Mr Brezhnev's proposal last week to halt temporarily deployment of SS-20 missiles on the Soviet western front is *another part.*

Equally, the Kremlin may feel that Poland, Afghanistan, and nuclear negotiations have given it quite enough to cope with.

Editorial Comment, Page 22
China bid to attract foreign investment, Page 6

Polls put Jenkins ahead in Hillhead

By Peter Riddell, Political Editor

MR ROY JENKINS enters the Glasgow Hillhead by-election today as the favourite to win, after conflicting signals from opinion polls earlier this week.

Three polls in this morning's papers all show that the Social Democratic/Liberal Alliance has pulled ahead to look like a fair winner, in front of Mr Gerry Malone, for the Conservatives, and Mr David Wiseman, for Labour.

The campaign has been one of the most exciting and closely-fought for decades and has been marked by saturation canvassing with large attendances at public meetings.

Any forecast still remains uncertain, in view of the differing results of the polls, the large number of "don't knows," and the apparent reluctance of many people to disclose their voting intentions after so much canvassing. In the past week different polls have put each of the three main parties ahead.

All the signs from the polls taken as a whole and from reports from the constituency are that the Labour vote has started to slip and that the contest is between the Alliance and the Conservatives. This morning's polls suggest there has been a shift towards Mr Jenkins in the last week from undecided voters and from former Labour voters.

An Audience Selection poll in today's Sun gives Mr Jenkins 35 per cent of the vote, with 29 per cent for the Conservatives, 25 per cent for Labour, and 11 per cent for the Scottish Nationalists.

Broadly similar results are shown by polls from NOP in the Daily Mail and from MORI in the Daily Star/Daily Express. The MORI figures show Mr Jenkins with 33 per cent, Mr Malone with 27 per cent, and Mr Wiseman with 26 per cent.

These results follow a Gallup Poll in yesterday's Daily Telegraph, which gave Labour 33 per cent, the Conservatives 27½ per cent and the Alliance 26½ per cent. The conclusions were widely discounted at Westminster.

There is still much uncertainty about the Scottish Nationalist vote, following the effective campaign of Mr George Leslie. There has been some

Continued on Back Page

£ in New York

—	Mar. 23	previous
Spot	$1.8125-8040	$1.7985 7995
1 month	0.19-0.23 pm	0.24-0.27 pm
3 months	0.64-0.69 pm	0.71-0.76 pm
12 months	2.30-2.40 pm	2.45-2.53 pm

Nigerian crude oil production is cut by half

BY QUENTIN PEEL, AFRICA EDITOR

NIGERIAN *oil production has* slumped by almost half in the past five days, from a rate of 1.2m barrels a day last week to some 630,000 barrels yesterday, *following the Organisation of* Petroleum Exporting Countries' agreement on prices and production levels reached in Vienna last week, according to *oil company officials in London* and Lagos.

The enforced cut, due to falling sales, must put the Nigerian Government under *enormous pressure again to* break ranks from Opec and cut its price.

This comes despite Nigeria's commitment to Opec's agreement *last week setting a price* of $35.50 a barrel for its crude oil and agreed production quotas for all Opec members in an attempt to stem the oil *glut and maintain an Opec* reference price of $34 a barrel.

Many oil traders do not believe Opec's production cuts to a new ceiling of 17.5m barrels a day will suffice to end the glut, while Nigeria's problems underline the market's softness.

The latest figure for Nigerian oil production is comparable with that at the height of last year's oil glut in August when it was cut back to an average of 708,000 barrels a day.

The country is now facing a critical foreign exchange shortage, with reserves at the end of February estimated at some $3bn—less than two months' import cover. Last month's trade deficit alone is put at almost $1.4bn.

Nigeria's plight was dramatically underlined by Tuesday's decision by the Central Bank to instruct commercial banks in Lagos not to process any further foreign exchange applications, which is seen as a prelude to import curbs.

The cut in oil production is a direct response to the lack of customers for Nigeria's high-grade Bonny Light crude, which is the grade closest to the North Sea oil. However, whereas North Sea oil is now priced at $31 a barrel, Nigerian crude is selling for $35.50 as a result of the Opec meeting.

Although production had recovered from the August low to almost 1.8m barrels a day last December and maintained that level in January, it was down to 1.4m b/d in February, and some 1.2m b/d earlier this month, as sales declined.

Company officials argue that production was maintained at some 1.2m b/d last week in the expectation of a large price cut at the Opec meeting. The slump was aggravated because those expectations were dashed.

Since the Opec meeting, Nigerian Government officials have been optimistic about prospects for maintaining the agreement, under which Nigeria is allocated a production quota of 1.3m b/d, at a price of $35.50.

Scargill likely to ask for 27% rise in miners' pay

BY JOHN LLOYD, LABOUR EDITOR

MR ARTHUR SCARGILL, the militant incoming president of the National Union of Mineworkers, is likely to present the Coal Board and the Government with a demand for at least a 27 per cent pay rise for the *country's 250,000 mineworkers at* the start of the next pay round in the autumn.

A motion from Mr Scargill's Yorkshire area seeking a £110 basic minimum wage for the lowest paid surface workers appears on the agenda for the National Union of Mineworkers' conference at Inverness in July.

Motions from the smaller Scottish and South Wales areas call for a basic of £120, a rise of about 39 per cent. The Durham area has demanded a rise in the basic wage to £115.

Left-wingers on the NUM executive yesterday said they believed the Yorkshire motion would find wide acceptance at the conference.

It is backed by a call for a special delegate meeting in the likely event of the Coal Board *rejecting the claim and for a* ballot vote to authorise "various forms of industrial action" if the special conference rejects the board's offer.

The conference *will also* be asked to approve a Yorkshire motion which would reduce the 55 per cent majority needed in a ballot on industrial action to a "simple majority," making strikes and other industrial action easier to mount. Executive members believe the conference vote on this issue will be narrow.

A call from the Derbyshire area for five-yearly elections of all full-time NUM officials, including the presidency, has been excluded from the agenda. Mr Peter Heathfield, the Derbyshire area secretary, said yesterday he would challenge the *decision on the conference* floor.

He said the motion had been ruled out of order by Mr Joe Gormley, the retiring president, *at last month's executive meet*ing. It had, however, attracted the support of Mr Scargill at the executive, and he will chair the Inverness conference.

The motion, if passed, would mean that Mr Scargill, under present rules president for life, would have to submit to re-election every five years.

Closed shop row looms at BL, Back Page

Vickers seeks £24m from one-for-four rights issue

BY IAN RODGER

VICKERS, the diversified engineering group which acquired Rolls-Royce Motors in mid-1980, launched a one-for-four rights issue yesterday at 133p to raise £24.4m.

The call on shareholders had been widely expected because the company had advanced by a month its usual rate for announcing its year end results. *Such changes are often associ*ated with the need to secure a gap in the Bank of England's new issue queue.

The shares, which stood at 167p at the end of last week, had fallen to 160p by Tuesday evening and eased 2p yesterday.

Mr David Plastow, chief executive, said the group needed the £23.3m net proceeds to increase its flexibility. Net borrowings would be reduced from 55 per cent to 39 per cent of shareholders' funds.

The development of the group's strategy was aimed at concentrating and consolidating its interests in selected activities with capital spending in the UK and overseas on existing businesses and on acquisitions.

Vickers' profits last year fell 14 per cent *pre-tax* partly because the UK engineering businesses suffered badly from the recession. But the profits of Rolls-Royce Motors were sharply *higher.*

Vickers absorbed £5.5m in closure costs during 1981, and shareholders' funds fell 3 per cent to £285.4m. But the final dividend is maintained at 7.45p, making 12p for the year.

Mr Peter Matthews, Vickers' chairman, said that maintaining the payment was justified by the savings that would be generated from the closures.

The group had reached a settlement with the Ministry of Defence on the cancellation of

Continued on Back Page
Vickers down £4m, Page 24

Shell UK attacks N. Sea oil tax

BY RAY DAFTER, ENERGY EDITOR

SHELL UK, whose net profits fell 58 per cent to £158m last year, yesterday warned that the Government's North Sea oil *taxation* policies were ruining Britain's chances of remaining self-sufficient in oil into the 1990s.

Mr John Raisman, chairman and chief executive, said the company's tax bill — up from £95m in 1980 to £502m last year —was one of the main reasons for the drop in profits. The company had also been hit by the economic recession, a further decline in oil demand, the fall in the value of the pound against the dollar and losses in its chemicals operations.

The results were "disappointing," he said.

Shell UK, one of the market leaders in the UK oil products sector had a turnover of £5.2bn last year compared with £4.2bn in 1980, when its net profit was £373m. Its pre-tax operating profit rose from £614m in 1980 to £887m.

When the results were recalculated on a current cost acounting basis, however, Shell UK was seen to have made a loss of £65m last year as against a profit of £166m in 1980.

Mr Raisman regretted recent Budget measures had not eased the North Sea tax burden. The introduction of a new Advanced Petroleum Revenue Tax penalised the early cash flow from new fields and inhibited the exploitation of further offshore reservoirs, he said.

He urged the Government to reconsider the taxation system, warning that UK oil self-sufficiency — achieved for the first time last year — might not be sustained into the next decade. There were enough oil reserves to stay self-sufficient into the next century, given the right investment climate.

Shell and its offshore partner Esso expect to produce more than 500,000 barrels of oil a day from the North Sea this year, about a quarter of the total output. Mr Raisman warned that taxes might force Shell to defer one or more development projects.

Projects under review included the Tern field and three or four medium-sized discoveries —each of 100m to 150m barrels of recoverable reserves—in the central and northern parts of the North Sea.

Shell was using all its North Sea oil in its refining operations, which ended last year marginally profitable on an historic cost analysis. On a current cost accounting basis the downstream oil refining and marketing business made a £40m loss, he said.

Shell is leading an industry movement to raise petrol prices in urban areas by 5p a gallon to about 160p although according to Mr Raisman it is uncertain whether Shell can make the new prices stick in the depressed market.

Mr Desmond Watkins, managing director of Shell UK Oil—the marketing and refining arm

Continued on Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES				
Treasury 2½pc IL	£98¾	+ ⅜		
Ash and Lacy	290	+ 7		
Bell (A.)	186	+ 12		
Bestobell	365	+ 15		
DRG	86	+ 13		
Firth (G. M.)	201	+ 4		
Fisher (A.)	47	+ 3		
Lane (Percy)	53	+ 5		
Midland Bank	350	+ 8		
Pearson Longman	305	+ 15		
Ricardo	472	+ 15		
Rockware	71	+ 8		
Rotork	50	+ 7		
Slough Estates	143	+ 9		
Willis Faber	445	+ 7		
LASMO	300	+ 15		
Tricentrol	198	+ 6		
Anglo Amer Gold	£34	+ 1		
Impala Platinum	210	+ 10		
MIM Holdings	161	+ 7		
Minorco	365	+ 20		
Rustenburg Plat	162	+ 8		

FALLS		
Exchqr 12½pc '90	£93¼	− ⅛
Treas 12¾pc 1995	£98¾	− ⅛
Treas 12½pc '03-05	£98¼	− ⅛
Armstrong Equipt	28	− 4
BICC	335	− 10
Berwick Timpo	33	− 4
Federated Land	148	− 5
Hepworth Ceramic	110	− 5½
London Manchester	260	− 12
Lucas Inds	195	− 12
Maynards	182	− 6
Watmoughs	180	− 8

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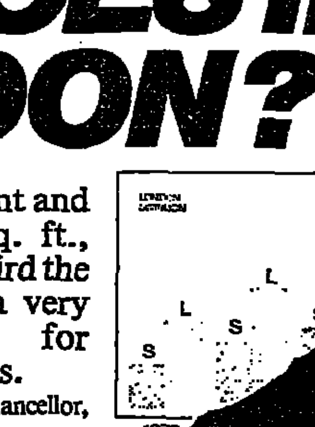

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JOIN THE SWINDON ENTERPRISE

Bonn doubles support for energy research

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government has earmarked DM 12.8bn (£2.97bn) in federal funds to the end of 1985 for energy research and development. This is more more than double the sum set aside for this purpose in Bonn's previous four-year programme.

Herr Andreas von Buelow, the Technology Minister, stressed yesterday that much of the total sum would go in grants to projects for which private industry would have to bear half the costs.

The total investment sum could thus come close to double that put up by Bonn, and would have considerable importance in safeguarding existing jobs and creating new ones.

However, the Federation of German Industry promptly called on Bonn to end "the uncertainties and delays" associated, above all, with the country's nuclear energy plans.

Only if the Government gave a clear and decisive lead could private enterprises be encouraged to take the risks involved in key sectors of energy research, it said.

The federation was referring to continuing differences within the government coalition parties over nuclear power station construction and, not least, over development of fast breeder reactors.

While Bonn plans continuing support for both the fast breeder and high temperature reactor projects, the new programme lays special emphasis on coal processing—above all gasification.

More than DM 2bn (£465m) is being set aside for coal processing—rising from DM 289m (£67m) this year to DM 835m (£194m) in 1985. The aim is not simply to reduce West Germany's dependence on imported oil, but to boost the country's position as an exporter of gasification plant.

A further large slice of the funds is earmarked for "rational energy use": the encouragement of processes bringing significant energy savings with relatively little outlay.

In contrast, little more cash is being made available for alternative energy sources, such as solar and wind energy, than in the previous four-year programme. Herr von Buelow noted thta experimental plants were now under way and it was important to await results.

Even as Herr von Buelow was announcing the programme, Count Otto Lambsdorff, the Economics Minister, was speaking out against a proposal that no construction of new nuclear power stations be begun in West Germany for the next two years.

Count Lambsdorff, a member of the Free Democrat Party, junior partner in the Bonn coalition, noted in a speech that such a proposal would come before the congress of the allied Social Democrat Party in Munich next month.

The Minister stressed that he saw no cause for a halt in construction

Stewart Fleming and David Marsh examine forebodings of strains in the system

Bundesbank resists wider role for EMS

IN THE plush, space age headquarters of the Bundesbank, West Germany's central bank, the third birthday earlier this month of the European Monetary System was celebrated in an atmosphere of distinct foreboding—heightened by a strong whiff of deja vu.

The foreboding arose because the present unrest centred around the French franc in Europe's currency stabilisation scheme was not unexpected.

Herr Karl Otto Poehl, the Bundesbank president, has gloomily forecast for well over a year that the EMS was destined to suffer growing strains unless its member states made more progress in reducing the divergences between their rates of inflation.

The Bundesbank has made it clear that it will refuse to sanction any further development of the EMS along lines suggested by the EEC Commission unless the scheme's basic orientation to put "stability first" remains intact.

The Bundesbank sees recent speculative attacks on the franc as confirmation of general fears that the French currency in the hands of the Socialist President Mitterrand, has become one of the "softer" members of the monetary system.

The present troubles of the EMS—in which the Belgians, French, Italians and Irish are now all fending off devaluation pressures—have surfaced at the same time as the D-Mark is moving towards regaining its former fabled status as the EEC's hardest currency.

This is more than simply coincidence. One of the reasons for the relative stability of the EMS during its first three years of existence was the depression hanging over the D-Mark caused by West Germany's balance of payments troubles.

Now, after three years of serious deficits, the Bundesbank expects a balanced current account this year, while other bolder forecasters are confidently predicting a strong return into the black. Additionally, German inflation is falling, oil prices have been sinking fast and worries over Poland—a strong factor behind the D-Mark's weakness last year—are starting to recede.

The improvement in the fundamental factors governing the D-Mark has come at a time when inflation and the balance of payments have been worsening in France. This has focused the attention of the currency market on the basic differences of economic policy between Bonn and Paris. Foreign exchanges, preferring to vote in favour of governments likely to produce less inflation, are in effect giving President Mitterrand's policies the thumbs down.

The vote of confidence in favour of the D-Mark so far has not been extended beyond the EMS. Against the dollar, the German currency remains becalmed in the region of DM 2.35 to DM 2.4. With the weakness of oil prices lowering the danger of an inflationary thrust from a strong dollar, however, the Bundesbank is now far less worried about the D-Mark's low rate against the U.S. currency than it was a year ago.

As an indication of Europe's efforts to lessen its link with fluctuating U.S. interest rates, the Bundesbank along with the Dutch and Swiss central banks last week cut interest rates by half a percentage point in spite of the continued strength of the dollar.

Underlying its more relaxed attitude, the Bundesbank has recently made hardly any effort to curb the fresh rise of the U.S. currency through foreign exchange intervention.

Within the EMS, too, the Bundesbank has had little reason for intervention. The French franc has been stretched to its full intervention limit against the Dutch guilder—currently the top EMS currency—but not against the D-Mark, which is the second strongest.

This has meant that the Bundesbank itself has not had to wade into the intervention arena by selling D-Marks and buying French francs. This is something that it would anyway be disinclined to do, if it could help it, given the German currency's continued weakness against the dollar.

If the basic uncertainties surrounding the franc persist, however, it is hardly likely that the Bundesbank will be able to remain in a back seat role for long.

Once another member currency touches its "floor" rate within the EMS, the Bundesbank is committed, under the system's intervention mechanism, to make available unlimited quantities of D-marks in order to support it.

Just as it was when the EMS was set up in 1979, however, the Bundesbank remains reluctant to become dragged into wide-ranging intervention obligations to shore up persistently weak currencies.

For this reason, the central bank gave its strong support to the Bonn government when the Germans earlier this month blocked efforts in Brussels to change some of the EMS's intervention rules.

The plans were drawn up by the EEC Commission and backed by France and Belgium. They would, in effect, have required the "strong" central banks within the system—that is, the Germans and the Dutch—to spend more of their reserves in supporting currencies under pressure to devalue.

The Bundesbank's refusal to countenance this will probably win it few friends in Paris in the coming months. It may even lead to charges that it is sabotaging the development of the system along the ambitious lines favoured by the Brussels Commission.

A top Bundesbank official remains adamant, however, that changes in the system—for instance, widening its scope under the much-vaunted and much-postponed "second stage" envisaged when it was set up three years ago—would be useless unless they lead to progress in reducing inflation.

Airbus credit guarantees raised

BY OUR BRUSSELS CORRESPONDENT

FURTHER financial support for the European Airbus project, on which thousands of West German jobs depend, has been approved by the Bonn Government. The Cabinet yesterday agreed to raise the ceiling for federal guarantees of credit for the project to DM 4.1bn (£953m) from DM 2.85bn (£662m).

It also decided to make available DM 165m (£33m) in repayable development grants and another DM 288m (£67m) to help market the medium-range jet, which is a joint project of West Germany, France, Britain and Spain.

The development grants are aimed chiefly at producing a version with greater seating capacity of the Airbus A-300 which can carry up to 300 passengers.

The programme envisages construction of 860 aircraft into the next decade. It is estimated that more than 11,000 jobs in the West German aerospace industry, mainly in the Hamburg and Bremen region in the north, depend on the project. A further 3,000 jobs in other sectors are dependent on orders for ancillary parts.

Pressure eases on French currency

By David Housego in Paris

THE FRENCH franc respite on the foreign exchanges yesterday when it strengthened against European currencies and the U.S. dollar amid fresh signs that Paris is determined to resist a realignment under speculative pressure.

The Bank of France raised its day-to-day money market rate by one point to 18 per cent. The rate ha sbeen raised by four points over the past 10 days.

The franc strengthened against the dollar, closing in Paris at FFr 6.229 against its record low on Tuesday of reached 6.20.

Against the D-Mark it rose to FFr 2.6166 and against the Dutch guilder to FFr 2.366. Both currencies were at their ceilings in the European monetary system against the French franc on Tuesday of FFr 2.6205 and FFr 2.3706 respectively.

The continuing vulnerability of the franc, however, was reflected in a weakening during afternoon trading from its peak against the D-Mark, the guilder and the dollar.

Dealers believed that the Bank of France, as well as the Dutch and West German central banks, had intervened in support.

Signs of a slowdown in the economy in the early months of the year were further confirmed yesterday by a fall in the official production index in January.

The government statistics bureau, Insee said industrial production declined by 3 per cent compared with December. It attributed this, however, mainly to exceptional factors relating to energy production and the energy construction industry.

The index is also only a partial guide to the pace of economic activity in that it covers only 40 per cent of industry and excludes the capital goods sector.

None the less, the fall reinforces other reports both by Insee and the Bank of France which point to a slackening of consumption and production in January and February.

M Jacques DeLors, the Finance Minister, still holds to the view that the economy as measured by GNP is growing at an annual rate of 3 per cent and industrial production at 4 per cent.

Belgian steel vote

Workers at the Cockerill-Sambre steelworks in Charleroi, Belgium, have voted to return to work, ending a month-long strike in protest at threatened job losses in the industry, according to union officials, Reuter reports from Brussels. The rest of the 20,000 workforce are still on strike in the Liege area.

Spain's bid to join Community enters crucial stage

BY JOHN WYLES IN BRUSSELS

SPAIN'S negotiations on its application to join the European Community have reached a crucial phase following agreement this week on a variety of technically important but politically less controversial issues.

Sr Jose Pedro Perez-Llorca, the Spanish Foreign Minister, will meet his EEC counterparts for negotiations in Luxembourg on June 21. These will embrace, among other things, Spain's demand for an 8-10-year transition period before it dismantles all tariffs against industrial goods from elsewhere in the Community.


Sr Perez-Llorca: talks in Luxembourg

Madrid plans to take a stand on this issue in return for its undertaking to introduce value added tax from the date of accession. However, member-governments will be pressing for a shorter transition period on industrial tariffs to counterbalance Spain's demand for the earliest possible removal of EEC barriers to its agricultural produce.

Ministerial-level negotiations this week appear to have established some momentum in the long-running exchanges between the two sides. Broadly speaking, vital progress was made in five areas: capital movement, regional policy, transport, rights of establishment, and freedom of services.

On capital movements, it was agreed that private Spanish citizens would have to wait five years before they had full freedom to purchase property elsewhere in the EEC, and three years before they could buy securities on other EEC stock exchanges. Transition periods of up to four years were agreed before the full application in Spain of EEC law governing the tachograph, which monitors truck drivers' hours.

Meanwhile, a protocol on regional policy was settled which implies that the Community is not bound to supply regional development aid for all parts of Spain.

The British delegation is taking some credit for clearing the path to agreement on insurance services. Co-insurance has proved a particular problem because of Spanish concern to protect companies established there. As a result, these will not be obliged to share insurance risks with non-Spanish companies for three years after membership, but the opportunities for other EEC insurers will be opened up progressively over the following three years.

The question of bringing the Spanish peseta into the basket of currencies establishing the European currency unit, remains undecided. The EEC is reluctant to commit itself to accepting both the peseta and the Portuguese escudo in advance of enlargement. But it may well do so after the two countries have joined the Community if it is satisfied that their currencies will not have a destabilising influence on the Ecu's value.

Pessimistic mood returns to Europe's industrialists

BY GILES MERRITT IN BRUSSELS

ECONOMIC ANALYSTS at the European Commission have reported a "disturbing" break in the trend of improving indicators noted by the Community's business opinion surveys over the past three quarters.

The return to pessimism among European industrialists interviewed in the EEC's survey last month is clearly causing some concern inside the Commission. Although the EEC's preliminary report warns that too much should not be read into a single month's results, it suggests that the survey shows "the conditions for a sustained recovery in economic activity are still not completely satisfied."

The first indicator that the report finds worrying is the renewed weakening of European chief executives' order book judgments this year, following the generally strong recovery that had marked industrial order-book opinion in the second half of 1981. For February, the level of unfilled orders also fell

The survey also noted that last month, as in January, the percentage of EEC industrialists who expect production to decline over the coming three months exceeded by five points those who anticipated a rise in output for that period.

The one positive sign that the Commission analysts could point to was that the survey reaffirmed that industrialists expect inflation to decline.

Italy faces one-day strike call

By James Buxton in Rome

ITALIAN TRADE unions are expected to call a one-day general strike early next month in protest against the failure of talks aimed at reaching a pact with the Government.

For Sig Giovanni Spadolini, the Prime Minister, the failure of a 13-hour negotiating session on Tuesday marked another setback in his nine-month struggle to persuade the unions to agree to contain the cost of labour. A direct confrontation between unions and management is now more likely.

The Government wants the unions to agree to keep labour costs within its 16 per cent average inflation rate target for 1982. Through the signs are that the annual inflation rate this month is already down to 16 per cent, it must drop further before an average of that figure is achieved for the year.

Two elements endangering this are the fact that negotiations involving many workers on the renewal of three-year wage contracts due to run from January 1982 have not yet begun, and that a potentially inflationary upturn in the economy is widely expected

The Government wants the unions to accept a ceiling on the triggering of the *scala mobile* (sliding scale) wage indexation system, but this depends on their acceptance of a number of other measures.

At Tuesday's talks, agreement was reached on some of these issues. But there was no agreement on a promised investment fund, worth up to L5,000bn (£2.1bn), which the Government had promised to relieve unemployment.

The lack of agreement on a Government-union pact is delaying the start of negotiations on the renewal of three-year contracts.

The first union to go in to bat, the metal workers, is to demand the reduction of working hours from 40 to 37½ hours a week, as well as measures to make sure that its members do not lose earnings as a result of modification of the *scala mobile*.

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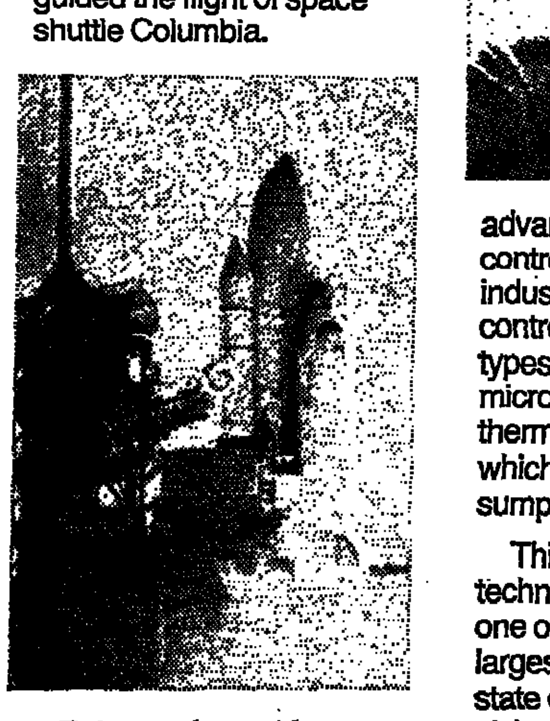

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EUROPEAN NEWS

Devaluation puts a partnership under strain

Irate Luxembourg calls Belgium to account

BY GILES MERRITT IN BRUSSELS

"Quite frankly," said a senior Belgian official, "the Luxembourg franc on its own would last about three weeks." Without disparagement, he meant that as a vulnerable currency it would be quickly wiped out by speculators. A veteran American banker in Brussels echoed this view when he asked rhetorically: "Can you really have a currency for just 340,000 people?"

Yet this morning, Mr Wilfried Martens, Belgium's Prime Minister is travelling to Luxembourg to meet his counterpart there, M. Pierre Werner, to discuss the economic developments and ensuing tensions that have led the Grand Duchy to ponder precisely such a move.

Stung in both the wallet and the amour propre by Belgium's unilateral decision last month to devalue the two countries' joint franc by 8.5 per cent, Luxembourg has, in effect, summoned Mr Martens, flanked by his Foreign and Finance ministers, to hear the terms on which the Grand Duchy will consent to remain part of the 60-year-old monetary partnership.

There is just a hint of a penitential pilgrimage in the top-ranking Belgian ministers' trip to Luxembourg, for no one now denies that the Martens Government behaved badly in informing Luxembourg only hours in advance of its February 21 devaluation but there is also more to today's meeting than that.

The Belgian and Luxembourg economies, for long so closely in step, are now on divergent courses. That economic and monetary union continues to suit both countries' needs is probably not in any serious doubt, but the

terms of the relationship are now very much a matter for re-negotiation.

Its status as a dynamic "offshore" Euromarkets centre for international banks, though checked slightly by recession, Luxembourg's prosperity is nevertheless enviable in contrast with Belgium's sorry saga of runaway state budget deficits and mounting social unrest. Importing half of all its requirements, at a cost now approaching £5½bn a year, Luxembourg views the unmerited devaluation of its currency with grave disquiet—and with the Belgian franc in recent weeks seemingly being pushed towards a further devaluation, that concern is giving way to alarm.

The terms that Luxembourg wishes the Belgian Government to accept as the price of retaining the monetary link are straightforward. First, Luxembourg is demanding a formalised consultation system that would not only inform the Grand Duchy's government of Belgian plans to seek a devaluation in the European Monetary System but would also give it a voice that under certain circumstances could amount to powers of veto.

The second demand is the separate valuation of Luxembourg's gold and foreign reserves, which are currently held on its behalf by the Banque Nationale de Belgique.

The third requirement that Belgium give Luxembourg exchange rate guarantees so that its assets could then be revalued in the event of a fresh Belgian devaluation, may also be difficult for Belgium to meet.

Luxembourg's size—smaller than the county of Wiltshire—may make it seem akin to the mouse that roared when confronting Belgium and its 10m population. It also has the problem of being the tax haven that roared, for its unregistered Belgian accounts are a continuing source of friction.

Yet the Grand Duchy retains formidable bargaining counters in addition to its threat over linking with ECU and its suggestions that West Germany's Bundesbank would prove a staunch ally for an independent franc. Luxembourg, with its over £200bn in foreign bank deposits, has been a major contributor to the Belgium-Luxembourg Economic Union's joint balance of payments.

With Belgium's own weaknesses overwhelmingly responsible for a payments deficit that has gone from under 3 per cent of Gross Domestic Product in 1979 to over 7 per cent in 1982—and so ultimately provoked today's Luxembourg talks — the Grand Duchy is now the mouse that is cracking the whip.

OVERSEAS NEWS

Uganda plan for $600m investment

By Quentin Peel, Africa Editor

THE UGANDA Government has unveiled a $600m (£333m) two-year investment plan, to be financed by international aid donors, aimed at reviving the country's shattered agricultural and industrial production.

The programme, drawn up with the assistance of the Commonwealth Secretariat, was outlined by President Milton Obote at the opening of Parliament in Kampala.

Its aim is to concentrate on key priorities, with the revival of smallholder agriculture—especially coffee growing—and import substitution industries at the top of the list. Some 80 projects are covered. The plan will be presented to an international donors' meeting in Paris on May 17 and 18, which will be chaired by the World Bank.

Almost 30 per cent of the total spending has been allocated to agriculture, a slightly smaller proportion to industry and tourism, and some 20 per cent to transport and communications.

Apart from coffee, rehabilitation of tea, cotton, sugar and food crop production are all given high priority, both because they will help ease the country's balance of payments crisis, and provide higher rural incomes.

The plan represents a more realistic and modest version of the 10-year development plan produced by the Uganda Government last year.

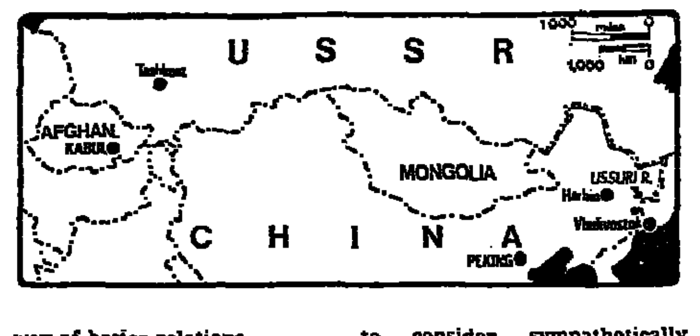
Industries identified as those which can most swiftly be revived with a minimum input of foreign exchange are textiles, steel, cement, breweries and tobacco.

The plan also provides money for financing joint state and private operations—part of the Obote Government's stated policy of selling off nationalised industries to the private sector.

CHINA-SOVIET UNION RELATIONS

Russian bear faces a rebuff

BY TONY WALKER IN PEKING



THE CALL by President Leonid Brezhnev for an end to two decades of hostility between the Soviet Union and China coincides almost exactly with the anniversary this month of the occasion when armed conflict erupted between the two countries.

This happened 13 years ago on a small island in the Ussuri River, some 125 miles east of Harbin in Heilongjiang province. In the engagement, which brought the two Communist giants to the brink of war, Chinese forces ambushed and inflicted heavy casualties on a Soviet patrol. Less than two weeks later, Soviet troops in battalion strength counter-attacked, crushing the Chinese garrison on the disputed island.

These days, relative calm has settled over the Sino-Soviet border, which stretches over 4,000 miles from Manchuria in China's North East to Xinjiang in the far West — a frontier garrisoned by tens of thousands of Chinese and Russian troops, who endure the bleakest possible living conditions in defence of their countries.

According to Sun Zhi Jian, a senior foreign ministry official in Harbin, capital of the "frontline" province of Heilongjiang, both sides are continuing to strengthen their border defences at a time of generally reduced tension.

In a sense, the heavily garrisoned border, particularly in its eastern and western sectors, symbolises the gulf that still exists between Peking and Moscow despite recent attempts by the Kremlin to promote a thaw in relations through the proposed resumption of boundary negotiations.

Diplomats in Peking tend to discount the chances of success, and indeed the sincerity, of the latest Soviet attempts to secure an early rapprochement with China, simply because too many obstacles stand in the way of better relations.

Apart from the long-standing border dispute, fundamental differences exist on issues ranging from the Kremlin's support of the Vietnamese invasion of Kampuchea to the continued Soviet occupation of Afghanistan.

China recently seized on the recent expulsion of Soviet officials from several South-East Asian countries to press its claim that the Soviet Union and Vietnam are engaged in a strategic push in the region, centred on the use by Russian warships and reconnaissance aircraft of former U.S. bases at Cam Ranh Bay and Da Nang in Vietnam.

The Chinese also made capital out of the recent visit to Hanoi by Marshal N. V. Ogarkov, Chief of the General Staff of the Soviet armed forces, suggesting it is further evidence of the Kremlin's military designs in the region, which extend, according to China, to taking control of strategic sea lanes.

Diplomats in Peking note that recent Soviet attempts to entice China into a dialogue have not been accompanied by any indication that the Kremlin is prepared to make concessions on outstanding differences.

For example, when Moscow last September proposed the resumption of border talks, abandoned in 1978, there was no suggestion in the Soviet proposal that it was prepared to consider sympathetically Chinese claims to disputed areas along the border.

Early in February, Moscow renewed its call for border discussions, but again apparently without indicating a willingness to make concessions.

According to a Western diplomat who has previously served in Moscow and who is something of an authority on the border dispute, there is little chance of China agreeing to a resumption of negotiations, which went through 15 fruitless sessions between 1964 and 1978, without a positive gesture from the Soviet side.

It has not escaped the attention of Western observers in Peking that the Soviet Union chose a time when strains were appearing in the Sino-U.S. relationship over Taiwan to start pressing for better relations with China.

The timing of the first Soviet initiative on the re-opening of border discussions was considered significant because it immediately preceded talks on arms control between Mr Andrei Gromyko, the Soviet Foreign Minister, and Mr Alexander Haig, the U.S. Secretary of State.

The Soviet Union, in the opinion of some observers in Peking, may have been intent on signalling to Washington on the eve of these important discussions that there was the possibility of a rapprochement with China.

The Soviet Union may also be interested in further lessening tension on its eastern flank, given its problems elsewhere, such as in Afghanistan.

Remarks made by Mr Nikolai Tikhonov, the Soviet Premier, in Moscow in February that the Kremlin "would not be kept from taking concrete steps" towards improving Sino-Soviet relations are interpreted in Peking in much the same way as are proposals for the resumption of border negotiations. Mr Tikhonov's remarks are seen more or less as an exercise in propaganda, aimed partly at the Americans.

The Soviet Premier told Japanese reporters in a series of prepared answers to written questions: "We proceeded and proceed from the view that there are no problems in Soviet-Chinese relations that could not be decided on the basis of equality and in the spirit of mutual understanding.

"We are not going to keep from concrete steps which would meet vital aspirations and interests of the Soviet and Chinese peoples. But this process must not be one-sided." Mr Tikhonov gave no clue as to what concrete steps the Soviet Union may have in mind.

Previous Soviet initiatives aimed at improving relations with China in the years since the Sino-Soviet split of the early 1960s have come to nothing, and diplomats say they cannot discern any significant change in circumstances that may have improved the climate for a rapprochement.

The Chinese, for their part, would probably not be all that unhappy about the well-publicised Soviet attempt to promote a thaw in relations if it has the effect of reminding the U.S. that China does have other options, however remote the possibility an exercise of those options might be.

Lisbon coalition faces censure

BY DIANA SMITH IN LISBON

PORTUGAL'S centre-right coalition Government is facing its second censure motion in less than a month, this time from the Communist Party over its handling of the general strike of February 12.

The Balsemao administration's comfortable parliamentary majority enabled it to defeat a censure motion moved last month by the Socialist Party.

The Communists have been fostering waves of strikes since last autumn and calling repeatedly for the fall of the Government. Last month's general strike called by Communist-led unions, was a failure, receiving only partial support from blue-collar workers and next to none from white-collar workers.

Controversy has raged over whether the events of February 12 — bomb threats, sabotage and blocked roads, and the arrest of three armed men in Lisbon in a car carrying radio intercepting equipment, pamphlets and cassettes recorded with revolutionary music and slogans — added up to what Sr Angelo Correia, the Interior Minister, called a "climate of insurrection."

The Communists responded furiously to Sr Correia's veiled hint that they were responsible for this situation.

Meanwhile, disparate fringe revolutionary groups appear to have tried to use the backdrop of the general strike to attempt to regain a little of the limelight.

The Government is taking the Communists' censure motion seriously, and turning up en masse in Parliament for two days while its actions are called into question.

For some time the Communists have called on President Antonio Ramalho Eanes to use his power to dismiss the Government and call an election. The President, however, has shown no sign of being tempted to do so.

He is understood to be loth to intervene unless the Government's majority collapses or the public turns so heatedly against the Balsemo administration that the stability of democracy is put at risk.

The population is certainly grumbling: the inflation rate reached 3 per cent in February, the worst monthly rate in two and a half years, and the Portuguese are still not convinced that the Government can handle the troubled economy.

● The Soviet, Polish and East German embassies in Portugal have complied with the request to reduce their diplomatic staff by 30 per cent. The Portuguese Government asked for this cut last month as part of its strong response to the imposition of martial law in Poland.

Four Russian, two Polish and two East German diplomats, who have not been named, are believed either to have left or are about to do so.

The Portuguese Foreign Ministry last month called for the expulsion of the Soviet Press attache, and a junior economic attache, who left at once. Lisbon diplomats were not a little startled by the second round of expulsions, unmatched in any other country in the North Atlantic Treaty Organisation.

Jaruzelski visit a sign of East Germany's approval

BY LESLIE COLITT IN EAST BERLIN

POLAND'S military leader, General Wojciech Jaruzelski, is to visit East Germany this month in a continuing sign of approval for the military regime by Poland's hard-line allies.

The last bilateral meeting between President Erich Honecker, the East German leader and party chief, and a Polish leader was in 1980 with Mr Edward Gierek, whom the East Germans regarded as having far too warm relations with Western statesmen.

East Germany is not expected to permit its citizens to re-enter Poland after private trips were virtually halted in autumn 1980 following the rise of the Solidarity trade union. But a greater number of Polish citizens might be permitted to visit East Germany as a symbol of what is seen in East Berlin as Poland's return to the fold.

The East Germans are giving extensive credits to the Polish economy in the form of machinery and chemical exports for which Warsaw can no longer pay, as it has done in the past, by exporting hard coal, sulphur, machinery and other products to East Germany.

More changes at top of Greek navy

By Victor Walker in Athens

A SHAKE-UP at the top of the Greek navy, promoting Admiral Nicholas Pappas to chief of the navy general staff, has forced the resignation of four admirals senior to him.

Admiral Pappas won fame in 1973, when he led a naval mutiny aimed at toppling the colonels' dictatorship. After the bid failed, he sailed his destroyer to Italy and sought political asylum. However, he is known to be close to Dr Andreas Papandreou's Socialist Party and his appointment comes only two months after the Government had carried out an earlier shuffle in the navy.

Vice-Admiral Odysseu Kapetos, who resigned as chief of the navy general staff on Monday, had complained about political interference in the navy and offered his resignation three times in the previous month.

The Conservative opposition is pressing for an explanation of what it considers to be political interference in the naval hierarchy. It is not yet known how the rest of the navy feels about the changes.

Norway petrol prices down

By Fay Gjester in Oslo

NORWAY'S THREE largest oil companies—Norol, Esso and Shell—cut their petrol prices (about 4½p per gallon) to NKr 4.40 for premium grade.

Ms Astrid Gjertsen, the Consumer Affairs Minister, said the reduction, the first since North Sea oil prices dropped by $4 per barrel, was "overdue" and that she expected further cuts would follow. The Royal Automobile Club claimed prices should have fallen by at least 13 ore a litre.

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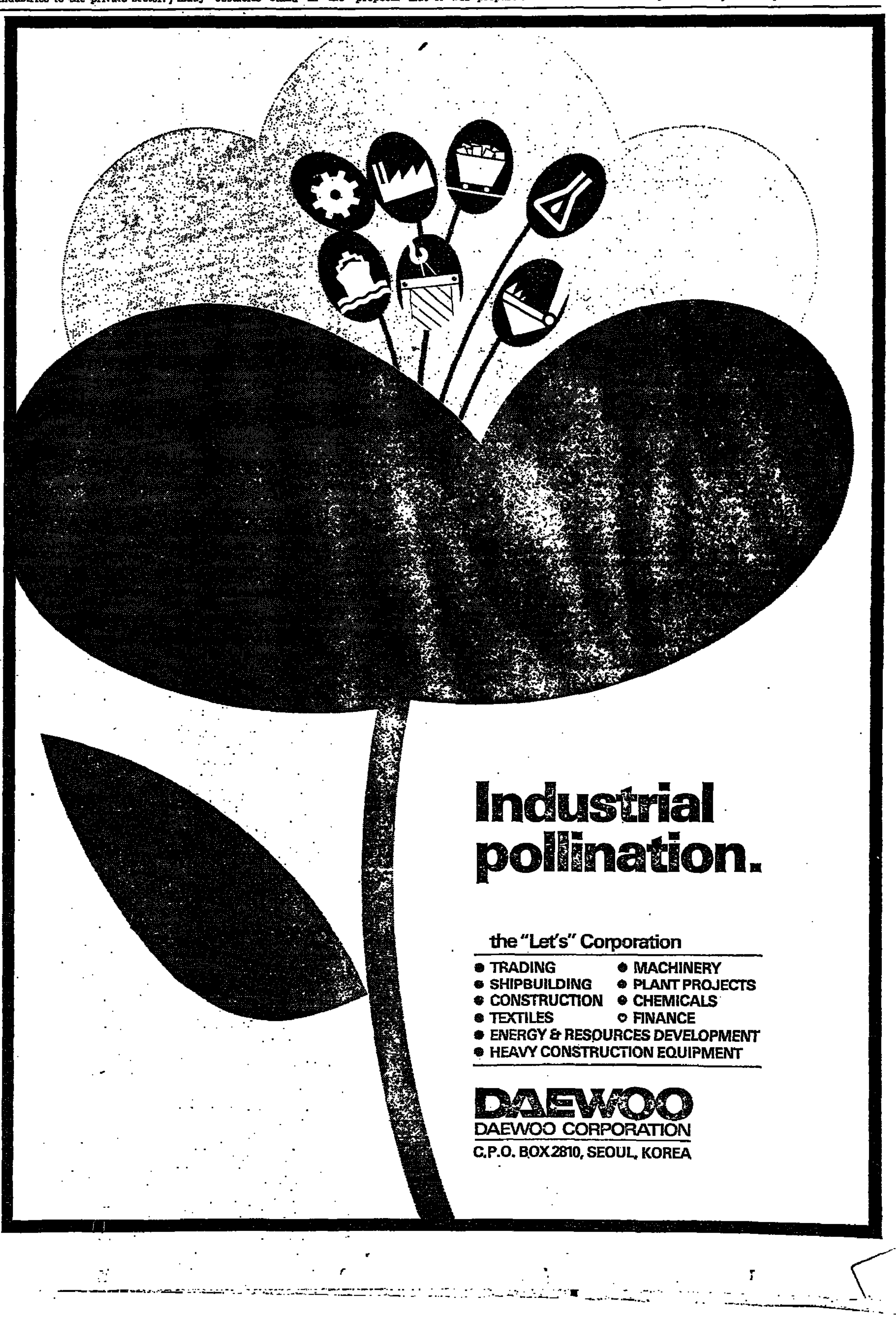


OVERSEAS NEWS

Armed forces seize power in Bangladesh coup

BY K. K. SHARMA IN NEW DELHI

IN A SWIFT, pre-dawn, apparently bloodless coup, Lt-Gen Hossain Mohammed Ershad, Chief of the Army Staff, yesterday ousted President Abdus Sattar from power in Bangladesh, and appointed himself martial law administrator.

The military action in one of the world's poorest countries ended a three-year period of civilian rule reintroduced by the late president Zia Ur Rhaman, who was assassinated last year. President Abdus Sattar, aged 75, was elected last November.

Pressure for the coup had been building up because of the growing differences between Mr Sattar and his strife-ridden Bangladesh Nationalist Party, and the army, which remains the dominant force in the troubled country.

Bangladesh has witnessed the rise and fall of four governments since its independence in 1972, when Pakistan split from it after losing the war with India.

Reports from Dacca, the capital, suggested that the country was tense but quiet, and the armed forces were rallying behind Gen. Ershad, who named the naval and air chiefs, Rear-Admiral Mahabub Ali Khan and Air Vice-Marshal Sultan Mohammed, as deputy chief martial law administrators. A night curfew has been imposed.

● Dacca Airport was open but telecommunications were cut.

The former President appeared safe and, in an emotional five-minute broadcast, welcomed the coup in tones that observers in New Delhi said indicated he had been forced to lend his support to the takeover.

His broadcast was followed by another by Gen Ershad, who defended the takeover on the grounds that corruption was rampant in Bangladesh, and promised that a new civilian President would be nominated and an advisory council set up.

He also announced the suspension of the constitution and declared the National Assembly dissolved.

Despite promises of constitutional revisions, Bangladesh seems set for a long period of army rule again.

President Sattar had announced soon after his election last November that the army had performed its role and that it should retire to the barracks.

This was greatly resented by the generals who insisted on recognition of their position as founders of the country—an obvious reference to the role played by the army during the war over Bangladesh in 1971.

It was widely felt that Mr Sattar had failed to tackle the country's enormous problems and that even his recent Cabinet reshuffle did not remove the widespread dissatisfaction over the performance of the politicians, since virtually the same people in Mr Sattar's party continued in power.

The political divisions worsened the deep economic problems of Bangladesh which is going through a severe food and foreign exchange crisis, forcing it to seek aid from abroad. India has recently diverted ships bringing wheat to it from Australia, to Bangladesh.

The International Monetary Fund last year suspended disbursements of a loan under the extended financing facility, claiming that the economy had been mismanaged and that payments had not been resumed.

A consortium of Western countries and the World Bank was due to meet in Paris next month to consider Bangladesh's request for more aid, but it is possible that the meeting will now be postponed. Bangladesh was thought to be planning to ask the consortium for aid commitments worth $2.3bn (£1.2bn).

The internal crisis is thought by observers in New Delhi to have contributed to the worsening relations with India. Unresolved issues such as the sharing of the Ganges waters and the migration of people into bordering Indian states have heightened tensions.

The Indian Government is watching developments in Bangladesh closely, and has alerted the border security force in the states of Tripura, West Bengal and Assam adjoining Bangladesh, but there is no intention to intervene in what is considered an internal matter.

Gen Ershad, an army man's man

BY KEVIN RAFFERTY IN HONG KONG

LT-Gen Hossein Mohammed Ershad, (right) the man now in control of Bangladesh, cultivates an affable image, very much an army man's man.

His official bungalow in the military cantonment in Dacca is littered with army trinkets, such as plaques and pennants commemorating visits to regiments at home and abroad.

He was trained in the Pakistan army and spent the whole of the liberation struggle — in 1971 when Bangladesh was fighting for its freedom from Pakistan—within Pakistan.

Gen Ershad's accession to power means that none of the top clique of rulers fought for Bangladesh.

He returned from Pakistan as an infantry lieutenant-colonel when the new country was going through a difficult period and came to the centre of the stage after a series of coups that catapulted Gen Zia-ur Rahman into the job as strong man and later president.

One rank of ambitious freedom fighters had removed themselves in the in-fighting, and Gen Zia chose Gen Ershad first as his deputy, then as his successor and army chief.

In many ways, he was a compromise choice. Zia wanted a relief from headstrong and squabbling brother freedom fighters.

Presented with a choice between two ambitious young generals who had fought alongside him, Zia opted for the steady, apparently unassuming, Gen Ershad.

When further quarrels erupted last year, the remaining freedom fighters removed all but one of their seniors and further consolidated the position of Gen Ershad.

In the aftermath of the murder of President Zia, many Bangladeshis expected Gen Ershad to step in, but he allowed the constitutional process to take its course and Mr Sattar to go to a sweeping victory.

Shortly before Mr Sattar's election victory last November Gen Ershad said: "I am not a fool. I could have been president at any time. But Bangladeshis are very political people. They can only be kept under control by political means and not under military rule."

Even if Gen Ershad can put together a government that is clean, efficient and wise, he will not have the formula to put Bangladesh on its feet again.

It would take years of clean, efficient and wise government, and a complicated country like Bangladesh is not as easy to order as an army.

On top of this, Gen Ershad has yet to find out how much time the volatile Bangladeshis will allow him.

Lt-General H. M. Ershad

Two more Arabs shot dead on West Bank

BY OUR TEL AVIV CORRESPONDENT

TWO MORE Arabs were shot dead by Israelis on the Palestinian West Bank yesterday, the worst days of bloodshed since the latest round of anti-Israeli unrest erupted last week.

The casualties, doubling the previous death toll, came as Prime Minister Menahem Begin's vulnerable coalition fended off another challenge from the Parliamentary Opposition and amid signs of growing edginess over next month's return of Sinai to Egypt.

One of the Arab men was killed near Hebron and Palestinians in the area claimed he was hit by a bullet fired by a Jewish settler. A military spokesman said the army was checking to ascertain whether an Israeli soldier or civilian had fired the shot.

The other death was in the norther town of Jineen. According to the spokesman, an Arab attacked an Israeli border policeman with a knife and was then shot dead.

A third Arab was killed when a petrol bomb he was preparing exploded in a hut in Abasm village, near Rafah.

There were scattered disturbances in several other areas, and on the Gaza Strip, where the army put a brief curfew hundreds of youths pelted an Israeli patrol with stones.

The general strike called by Palestinian majors to protest at the dissolution of El-Bireh town council appears to be petering out. Palestinian leaders spoke on Tuesday night of extending the strike indefinitely, but it received only patchy support yesterday.

Mr Begin's battles in the Knesset continued. On Tuesday night a no-confidence vote was tied 58-58 and Mr Begin talked of resigning — an idea quickly scotched by his Cabinet colleagues.

Yesterday the Labour Opposition charged the Government and the Speaker of the House, Mr Menahem Sevidor, of undemocratic practices when a debate on an interim budget, was cut short.

Labour members, who had been attempting a filibuster, shouted and walked round the chamber trying physically to obstruct a vote. In the end, only two Opposition votes were counted, and the Knesset gave a first reading to the measure.

But the Government was forced to cancel plans to complete its passage through Parliament yesterday after coalition members calculated it faced probable defeat in the later stages. Largely because of Cabinet squabbles, the Government has been unable to present its 1982-83 budget and the interim budget is to ensure it does not run out of funds in the meantime.

Egypt meanwhile urged Israel to show restraint on the West Bank to improve the chances for a successful conclusion to the talks on Palestinian autonomy.

Dr Osama el-Baz, the head of President Hosni Mubarak's political office, said yesterday: "We do not want to see the situation there deteriorate. We believe that there will be a better chance for negotiations if the tensions lessen rather than escalate."

He added that Egypt and Israel were close to resolving their differences over the international border to be observed after Israel withdraws from the last portion of Sinai on April 25. Dr el Baz said remaining problems could be settled in the next few days.

Mr Begin told journalists yesterday that the no confidence debate had convinced him that fresh elections would be needed within a year to break the stalemate in the Knesset. The ruling coalition has never had more than a two-seat majority since taking power last July.

His problems have been compounded by the defection of former supporters such as Rabbi Haim Druckman, who are making a last-minute effort to stop Sinai being handed back to Egypt. Although the no confidence motion was mainly related to the West Bank unrest, it was the votes of the rabbi and other anti-withdrawal campaigners which produced the tie.

The newspaper Yediot Aharonot yesterday quoted Labour politician Yitzhak Rabin as saying: "If I were Menahem Begin, I would call new elections, resign and delay the withdrawal."

Weak gold price forces up taxes in South African budget

BY BERNARD SIMON IN CAPE TOWN

THE WEAK gold price has forced South Africa's Finance Minister, Mr Owen Horwood, to raise individual and corporate taxes, including those paid by gold mines, for the second time in less than two months.

In what he described as a "strict and conservative" budget, Mr Horwood yesterday announced steps to shift the burden of cooling the South African economy and easing the country's balance of payments problems from monetary to fiscal policy.

The 11.5 per cent increase in Government spending budgeted for the fiscal year to March 31, 1983, is the smallest rise in several years and well below the current inflation rate of around 14 per cent.

Defence spending, one of the fastest growing items in South African budgets for the past decade, is budgeted to move up by only 8.1 per cent this year to R2.7bn (£1.4bn). The black education vote is budgeted to increase by 28 per cent.

Tax increases proposed by Mr Horwood include:

● A rise in the effective rate of company tax from 42 per cent to 46.2 per cent. Tax payments will include a basic rate of 42 per cent and a 10 per cent surcharge.

● An increase from 5 per cent to 15 per cent in the surcharge on taxes of gold and diamond mines. Mr Horwood said that the R115m realised from this source in a full year would partly be used for Government assistance to marginal gold mines whose future is threatened by the fall in the gold price.

● Higher sales taxes on luxury items, such as photographic equipment and jewellery.

● The proportion of long-term insurance companies' investment income used to measure taxable income is to rise from 30 per cent to 40 per cent.

Mr Horwood announced a 10 per cent surcharge and an increase in general sales tax from 4 per cent to 5 per cent in a hurried "mini-budget" on February 11.

Curbs on Government spending and the tax increases will contain the Government's borrowing requirement to R2.4bn in the coming fiscal years, only 15 per cent higher than this year's expected deficit of R2.1bn. The budget provides for only R250m of the deficit to be raised from foreign loans, against R500m in 1981-82.

Mr Horwood said that the Government's highest economic priorities were, firstly, to keep "the deficit before borrowing to a minimum, in order to place as little pressure as possible on interest rates," and secondly, to hold down Government spending, "both because of the huge drop in gold mining revenues and the imperative need to counter inflation."

The gold mines are expected to yield only R900m in tax payments in the coming fiscal year, less than half the R2.2bn they will pay in 1981-82. Gold mine taxes totalled R3.6bn at the height of the gold price boom in 1980-81.

The budget does not disclose the gold price on which these estimates are based, but an economist at a leading bank said that Mr Horwood appeared to have assumed an average price just below $300 an ounce at the current exchange rate of 96 U.S. cents to one rand.

The economist described the budget as "excellent," provided Mr Horwood is able to hold Government spending at budgeted levels. He said that the unexpectedly small borrowing requirement is likely to ease recent pressures on domestic financial markets which have driven interest rates to record levels.

Mr Horwood said that further tax increases "might prove to be more contractionary than necessary" at this stage. But he indicated that tax rates would be reviewed if the gold price continues to weaken, resulting in further pressures on the balance of payments.

Gold earnings, accounting for almost half of total exports, fell to R8.3bn last year from R10.1bn in 1980. The value of non-gold exports declined by 3 per cent in 1981, while imports surged by 28 per cent.

AMERICAN NEWS

Guatemala ruled by decree

BY OUR FOREIGN STAFF

GUATEMALA'S new military junta suspended the constitution yesterday and said it would govern the country by decree.

An announcement on the state radio said the junta, which seized power on Tuesday, would soon announce a "Statute of Government" until a new constitution could be drafted.

A few hours after ousting General Romeo Lucas Garcia's right-wing regime in a bloodless takeover, the three-man junta dissolved the nation's Congress of 61 members.

In a statement, the army called on Guatemalans "to co-operate to return all the country's activities to normal... for the good of everyone.

"We reaffirm our conviction that for Guatemalan citizens, the most important thing is peace and the development of our fatherland, which can only be accomplished through common effort with the participation of all sectors of society." the statement said.

No disturbances were reported yesterday in the capital or other cities.

There was no immediate reaction to the coup from the four left-wing guerrilla groups, which have been fighting to overthrow Gen F. Lucas Garcia's regime.

During a television appearance on Tuesday night, Gen Efrain Rios Montt, head of the new junta, said it would guarantee freedom of expression, freedom of travel and dom to rally.

Before the coup Gen Rios Montt had no specific assignment, Gen Horacio Maldonado Schaad, 54, the second junta member, was commander of the Honour Guard Regiment, one of three based in the capital. The third junta member, Col Francisco Luis Gordillo Martinez, 46, was commander of the army's general headquarters.

The junta and other military leaders met in the presidential palace yesterday to complete a Cabinet and work out a "plan of government" involving social and economic reforms.

● Mexico's President, Sr Jose Lopez Portillo yesterday deplored the coup. He said he deeply regretted "this interruption of an already fragile democratic process." The coup could only add to existing tension.

Members of Guatemala's military junta, with Gen. Efrain Rios Montt, leader (centre).

The coup's contradictions

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE BLOODLESS army coup in Guatemala, Central America's most populous, richest and violent republic, contains a fair element of internal contradiction.

The middle-ranking officers who staged it claim they were trying to put an end to an electoral fraud. This was widely agreed to have occurred on March 8 when General Angel Anibal Guevara, a former Defence Minister, claimed victory in the General Election and prepared to take over, in July, a four-year presidency from the incumbent, Gen Romeo Lucas Garcia.

The officers, significantly, have installed as their President Gen Efrain Rios Montt. A retired army officer who ran for the presidency in 1974 on the Christian Democratic ticket, he was seen to have been robbed of legitimate victory by the country's pervasive electoral double-dealing.

As a Christian Democrat, Gen Rios Montt is something of a left-winger in the ultra-conservative spectrum of Guatemalan establishment policy, and would be seen by many conservatives as being a little too accommodating towards the left-wing insurgency which is increasingly racking the country.

Contradictorily, however, the other main figure in Tuesday's coup is a right-wing extremist. Sr Leonel Sisniega was the vice-presidential candidate of the ultra-right movement of National Liberation (MLN) in this month's elections, and is one of that group of politicians who want war to the death with the Left in Guatemala—and even war to the death with the moderate liberals.

The MLN regards the White House, the U.S. State Department and the Pentagon in Washington as peopled by dangerous liberals all too ready to bend to the whims of international Communism.

There is little doubt that the emergence of Gen Rios Montt will be generally welcomed by the Reagan Administration, which may have helped, or at least acquiesced in, Tuesday's operation.

Sr Sisniega is unlikely to be welcomed. He is not expected to be a respecter of human rights, on which Guatemala already has an appalling record. Any further worsening of the human rights position will be bad for a State Department which is already struggling with a U.S. public opinion that is becoming increasingly restive about the Administration's co-operation with brutal, Right-wing governments in Central America.

Washington has one big card to play, however. Although Israel is a supplier of much small arms to the Guatemalan Government, the U.S. controls the supply of the more sophisticated military equipment that the government needs if it is ever to dominate the increasing threat from Left-wing guerrillas.

Washington will be making it plain to Gen Rios Montt and Sr Sisniega that they can count on little military help if they allow the army to continue its present practice of virtually indiscriminate killing of those it suspects to be Left-wingers or Liberals.

The main political parties

The major political parties in Guatemala are:

MLN (National Liberation Movement), headed by Sr Mario Sandoval Alarcon, a former vice-president and officially runner-up in the recent election with 25 per cent of the vote. The party is extreme right-wing, and describes itself as the "party of organised violence";

Christian Democrat party, which is right-of-centre and fought the recent election in alliance with the National Renovation Party. Its candidate, Sr Alejandro Maldonado Aguirre, former education minister, was officially credited with 21 per cent of the vote, but he claimed 36 per cent. He was the only moderate candidate to stand, and after the election was in a brief and unlikely alliance with the MLN in a bid to get results annuled.

CAN (Authentic National Centre). Its candidate, Sr Gustavo Anzueta, was given 9 per cent of votes in the election. It is extreme right-wing.

Popular Democratic Front was a vehicle for the official military nominee, Gen Anibal Guevara, to succeed Gen Romeo Garcia Lucas.

U.S. likely to endorse junta

By Anatole Kaletsky in Washington

THE REAGAN Administration may soon endorse the new junta in Guatemala and seek Congressional permission to resume military aid. This has been cut off since 1977 because of human rights abuses by the ousted regime of General Romeo Lucas Garcia.

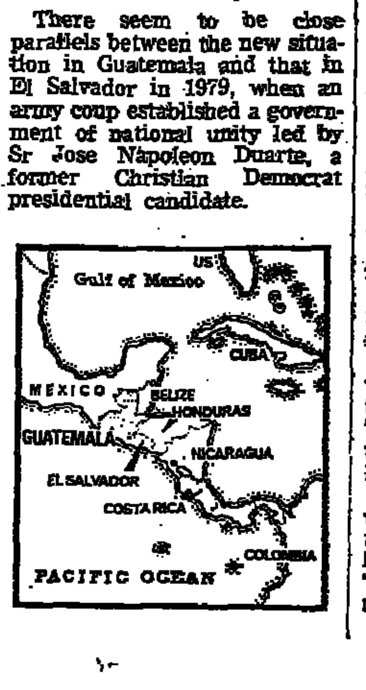
Despite initial indications that the coup was organised by a military faction even more extreme in its opposition to "Communist insurgency" than the Lucas Garcia Government, the State Department is privately expressing satisfaction that the new junta is headed by Gen. Efrain Rios Montt, a relatively moderate Christian Democrat.

Independent observers in Washington believe that Gen Rios Montt may be only a figurehead, drafted in to give the junta respectability at the last moment. He was not involved in the initial stages of the coup and only emerged as a leader after negotiations.

In an interview on U.S. television last week-end, Sr Sisniega called for "organised violence" to extirpate Communist insurgency in Guatemala.

While publicly saying that they are still studying the situation, State Department officials privately point to the fact that Gen Rios Montt has promised to curb political violence from both Left and Right and to set the country on the road to "authentic democracy."

There seem to be close parallels between the new situation in Guatemala and that in El Salvador in 1979, when an army coup established a government of national unity led by Sr Jose Napoleon Duarte, a former Christian Democrat presidential candidate.



Senate blow to MX missiles

BY ANATOLE KALETSKY IN WASHINGTON

A KEY Senate sub-committee has voted unanimously to halve President Ronald Reagan's proposed spending on the MX strategic nuclear missile programme.

This vote, which took place in a closed session of the Republican-dominated Senate Armed Services sub-committee late on Tuesday afternoon, is the biggest blow yet delivered by Congress both to the President's rearmament programme and to his budget proposals for 1983.

The sub-committee's unanimous opposition to President Reagan's $4.5bn spending request results from the Pentagon's inability to decide on a method of deploying the missiles which would make them proof against a nuclear first strike from the Soviet Union.

Former President Jimmy Carter's plan to rotate 200 MX missiles between 4,600 cement silos in Nevada and Utah was dismissed by President Reagan, partly because of its expense.

President Reagan promised to look at alternative possibilities for basing the missiles, but meanwhile wants to put them in existing Minuteman missile silos, specially hardened to resist attack.

Independent reports have concluded that this deployment system would be no less vulnerable to nuclear attack than the present system.

In addition, there has been mounting opposition in the Western states chosen for siting the missiles, as public anxiety about the possibility of a Soviet nuclear strike has emerged.

A possible alternative to the siting of MX missiles on land was suggested by a Pentagon paper released this week. This states that the missiles could be carried by a special fleet of long-endurance aircraft which would continuously patrol

The Senate sub-committee voted to stop funds for the manufacture of the first nine MX missiles and for research into strengthening of the existing Minuteman silos, saving about $2.2bn, until President Reagan can come up with a satisfactory siting plan.

The action was described by the sub-committee's chairman, Senator John Warner, a conservative Republican, as "a bipartisan effort to redirect and strengthen the President's strategic programme."

Washington ready to talk with Nicaragua and Cuba

BY OUR MEXICO CORRESPONDENT

WASHINGTON is ready for talks with the Governments of Nicaragua and Cuba in an effort to bring peace to the central American region, Sr Jorge Castaneda, Mexican Foreign Secretary said yesterday.

Sr Castaneda was speaking on his return from visits to Washington, where he met Mr Alexander Haig, U.S. Secretary of State; in Havana, where he had talks with President Fidel Castro; and Managua, where he met leaders of the Sandinista regime.

The U.S.-Nicaragua talks would take place "very soon" in Mexico, Sr Castaneda added. The aim was to analyse "all the outstanding problems" between the two sides.

He knew neither when, where or how the U.S.-Cuban meeting would take place. But he felt sure the two sides were "ready to enter bilateral negotiations."

The Mexican Foreign Secretary engineered a meeting in November between Mr Haig and Cuba's vice-president, Sr Carlos Rafael Rodriguez — the highest-level contact between the two Governments in several years.

In launching his peace initiative recently, President Jose Lopez Portillo of Mexico said he hoped the two sides could build on that contact and turn it into negotiations.

Mexican officials believe a relaxation of U.S.-Cuban tensions is the most important single goal of the peace initiative.

Sr Castaneda showed some optimism on the possibility of negotiations in El Salvador. Washington was not "right now" going to put pressure on the ruling junta to talk to the rebels, but "it's possible that could change after the elections."

Treasury up against limit

By David Lascelles in New York

THE U.S. Treasury's massive borrowings have pushed it up against its legal borrowing limit for long-term bonds and forced it to cancel a 20-year issue that should have been made this month. This brought a measure of relief to the government securities on Wall Street yesterday, but few people are happy about it.

The Treasury is not allowed by law to issue more than $70bn in bonds with coupons of more than 4¼ per cent. As it has already sold $69bn-worth and current coupons are about 13.50 per cent, it needs congressional authority to sell more. But Congress has deliberately stalled as part of its effort to rein in Government borrowing.

The cancellation of the 20-year issue was bullish for the bond market. But the prevailing view on Wall Street is that the retreat of the Treasury from the long market could be harmful over the long run. Not only would it reduce the market's liquidity; people also fear it would only shift the borrowing burden to the short end of the market.

Mr David Bunting, a managing director of First Boston, a leading trader of Government securities, told Congress yesterday that the withdrawal of the Treasury from the long market would also harm corporate borrowers whose financing costs are usually calculated by reference to the Treasury's.

Thrift industry move opposed

By Our New York Staff

THE Administration yesterday opposed moves in Congress to draft emergency legislation to bail out the hard-pressed thrift industry, claiming that regulators already have enough powers.

Mr Roger Mehle, assistant Treasury Secretary, told the House of Representatives banking committee that where basically viable thrifts were facing temporary problems, "we believe that federal agencies have the authority and means to furnish assistance under current law."

Mr Mehle sought to dispel worries that some thrifts could fail and leave people penniless. The industry had sufficient cash flow, he said,

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WORLD TRADE NEWS

Nigeria likely to compile priority imports list

BY PAUL CHEESERIGHT AND QUENTIN PEEL

THE NIGERIAN Government is expected to draw up a list of priority imports and restricted items following its drastic action on Tuesday to stop commercial banks issuing any further letters of credit and foreign exchange application forms.

The immediate prospects for £100m a month of British exports therefore depends on the speed of the Nigerian authorities in compiling the list.

The Central Bank of Nigeria has given commercial banks at Lagos a week to prepare statements of their outstanding business on letters of credit, bills of collection and foreign exchange applications through the processing of what is known as Form M.

This information is required to enable the bank to indulge in a stocktaking exercise of foreign exchange commitments, leading to a more general appraisal of import needs.

The Central Bank has asked commercial banks for details of foreign exchange commitments defined by goods—food, raw materials, plant, spare parts, vehicles—and by the due delivery date to the country: whether anticipated shipment will be within three, six or 12 months.

According to top government officials, the aim of the recent budget, yet to be approved, was to cut imports back from some $1.8bn (£1bn) to $1.2bn a month.

Exporters were yesterday attempting to assess the full effects of the action by the government of President Shehu Shagari, taken in response to a soaring trade deficit—estimated at some $600m a month—because of the slump in the country's oil sales.

The most drastic effect is likely to stem from the suspension of processing of Form M applications—for foreign exchange remittances—by the Central Bank.

Although traders are confident the action will be only temporary—intended not only to allow the Bank to assess its commitments, but also to give a short, sharp shock to importers—they are doubtful that the commercial banks will be able to produce the necessary figures within a week.

British exporters and officials thus expect there will be a hiccough in their Nigerian trading, followed by more specific restrictions.

Continued and immediate purchases by the Nigerian Government are not ruled out. It was assumed in London that the Government would have left itself scope to purchase essential imports such as food and medical supplies.

The UK holds about 20 per cent of the Nigerian import market with sales last year of an estimated £1.5bn, mainly covering machinery, transport equipment, manufactured goods and food. About 80 per cent of the sales are made on terms of short-term credit, and are the most vulnerable to changes in Nigerian import policy.

Companies with trading interests in Nigeria are expecting general merchandise to be placed under greater restrictions, but for industrial spare parts and raw materials to flow more freely. They believe that small exporters could be badly effected by the sudden action.

Shehu Shagari: drastic action

Moscow to restrict capacity on some shipping routes

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE SOVIET Union has agreed to restrain its shipping activities on routes where it has been seriously undercutting Western shipowners, according to diplomats who attended a recent meeting in Moscow.

The problem of subsidised competition from the Soviet fleet is one that has been worrying other shipping countries for some time and the EEC has been monitoring its activities.

According to the diplomats, quoting news agency reports from Moscow, Western shipping companies won important concessions from the Soviet Union which could ease the impact of the prolonged freight contest.

Soviet marine officials and representatives of five European governments and shipping companies discussed claims that Western lines were being undercut by means of Soviet subsidies.

"For the first time," one diplomat said, "Moscow agreed to limit its involvement on routes where it was pushing Western firms out of business." The countries taking part in the talks were West Germany, the UK, France, the Netherlands and Belgium.

The Soviet press did not publicise the talks, and some Western countries and companies said the real effect of the meeting would still have to be awaited.

Moscow's agreement to hold back on the routes, added the diplomat, "was in effect an admission that they had indulged in unfair competition, though unfortunately they still deny our charges of dumping and won't increase prices."

The Soviet Union agreed to reduce its shipments of coffee on the Central America-West Europe route by 30 per cent and to limit cotton shipments on the same run to a fifth of the market. Cargoes from Western Europe to Africa would also drop by a tenth.

Mr Igor Averin, head of the international department of the Soviet Maritime Ministry, was quoted as denying that Moscow had made any implicit admission of dumping.

Video disc system will be delayed

By Charles Smith, Far East Editor, in Tokyo

VICTOR COMPANY of Japan (JVC) has decided to postpone further the launching of its VHD video disc system.

The system was originally scheduled for release in October 1981, but was then put forward to April this year for technical reasons.

The latest postponement has been decided upon primarily because of weak demand in the Japanese domestic market for electronic equipment generally and for video disc equipment in particular.

JVC hopes to announce a new launch date as soon as possible, but has not indicated when this might be.

JVC's VHD system, which was first announced in 1978, is the third entry in a market which includes systems developed by RCA and Philips.

Video-disc players using the Philips system are being manufactured in Japan by Pioneer, but sales have been running at barely more than half the levels originally expected.

The market for video disc equipment may also have suffered from the fact that potential purchasers already own video tape recorder (VTR) machines. VTR costs more than video disc equipment, but has the advantage that it can be used to record material from television. Video disc players can use only pre-recorded material.

Doubts over Gatt right to intervene in Japan dispute

BY BRIJ KHINDARIA IN GENEVA

THE EUROPEAN Community's decision to complain about Japan to the General Agreement on Tariffs and Trade is being viewed with puzzlement by trade officials in Geneva.

There are doubts that the dispute settlement procedure as laid down in Gatt's Article 23 can be used for problems arising from a Gatt member's reluctance to import more foreign-made goods.

An EEC diplomat said the complaint would break new ground and would force Japan to recognise the damaging effects on other Gatt members of its persistent export successes and trade surpluses.

Article 23 allows any Gatt signatory to complain about trade-related issues if it feels its rights under Gatt are being impaired by the actions of another member.

The doubts about Gatt's ability to intervene in the Community's running arguments with Japan arise because Japan's success stems not from any specific trade policy but from a host of monetary, fiscal, economic and trade policies. These include such subjective elements as the reluctance of Japanese businessmen to buy foreign goods.

An EEC claim that its trade deficits with Japan result from Japanese attitudes and policies that reduce the benefits of Gatt membership can easily be countered by Japanese complaints about the negative effects of Community subsidies in agriculture and industrial sectors such as steel.

The purpose of using the Article 23 procedure is to force the offending party to change its policies or face the moral disapproval of its fellow Gatt members. Gatt does not have the authority to impose sanctions.

The Community's own record of respect for rulings by arbitration panels in the past is flawed and it is unlikely to receive much sympathy if Japan ignores rulings favouring the Community.

A case in point is the Community's apparent unwillingness to alter its system of sugar export subsidies in spite of a Gatt council arbitration panel ruling that the interests of other members, including Australia and Brazil, are harmed.

● Japan will press its own trade complaints against European countries in a procedure initiated by the EEC at the Gatt, a Japanese official in Brussels said on Tuesday.

He said Japan would press complaints about a total of 57 EEC import restrictions, many of which are applied only against Japanese goods, "which is clearly discriminatory."

In contrast, he said, Japan imposed only 27 import curbs, and they were globally applied.

Biffen call on exports

BY OUR WORLD TRADE EDITOR

THE HIGH LEVEL of Britain's current account surpluses during the peak years of North Sea oil production could be used to finance significantly higher levels of overseas capital investment, Mr John Biffen, the Trade Secretary, said in London yesterday.

His remark was made in the context of the diversity of the UK's overseas markets at a time of recession in Western Europe, which accounts for about 60 per cent of British exports.

It was interpreted as a warning that the UK should not become trapped in the European commercial connection, and in this respect represents a slight step back from the Government's habitual emphasis on the importance of the European markets.

Mr Biffen was speaking at a conference on India, organised by the British and South Asian Trade Association. What he called "national trading circumstances" could now favour an extension of UK investment in India, especially now that exchange controls have been lifted.

Norway buys helicopters

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

HELIKOPTER SERVICES A/S, of Norway, is to spend $115m (£64m) on new helicopters.

The helicopters will include two Boeing 234 44-seaters, with an option on a third, and 10 French Aerospatiale Super Pumas, with options on another eight Pumas.

The Boeing deal is worth $40m and the Super Pumas $75m. The orders follow an extensive study of helicopters on North Sea operations on behalf of the Norwegian state-owned oil company, Statoil, Elf Aquitaine Norge and Phillips Petroleum Company Norway.

The 44-seat twin-engined, tandem-rotor Boeing 234s will be used to carry men and supplies between Stavanger and the Ekofisk field in the North Sea.

PEKING TRADE THAW

China bid to attract foreign investment

BY TONY WALKER IN PEKING

THE ICY winds that have chilled China's trade relations with the West for 18 months are turning into warm breezes with a Chinese drive to attract foreign investment.

The strongest signal yet that the Chinese have found their feet realigning their economic priorities comes with a government plan to attract some $1bn (£555m) in foreign capital. Focal point of the plan is a package of 130 projects earmarked as suitable for foreign investment.

Details of the projects will be unveiled at a special investment symposium to be held in Canton in June under the aegis of China's newly established Ministry of Foreign Trade and Economic Relations.

The symposium, to be jointly sponsored by the Trade Ministry and the UN Industrial Development Organisation (Unido) will bring foreign businessmen and Chinese officials together to discuss new ventures.

Ji Chongwei, a prominent trade official, said this week that missions were being sent to Europe and North America to drum up interest in the symposium.

Announcement of the business forum, coincides with an apparent improvement in the climate for foreign investors in China.

Other straws in the wind include the agreement announced in Japan earlier this month under which China contracted to pay some $15m for textile machinery to be supplied by the Toko Bussan company. This is believed to be the first purchase of any size of industrial machinery in the past year since the rigid policy of readjustment was introduced.

A further indication of renewed confidence among Chinese officials was the recent agreement signed with Schloemann Siemag of West Germany, to reactivate a contract for the supply of a $460m steel mill to the ill-fated Baoshan project near Shanghai.

It was the Chinese decision late in 1980 to cancel contracts for components in the second stage of Baoshan—including the Schloeman Siemag cold strip mill — that heralded a deep freeze for foreign investors in China.

"Potential foreign investors who are interested in investing in China can, during the meeting, conduct face to face negotiations with their Chinese counterparts," Ji Chongwei said.

Among the 130 projects being offered to foreign investors are four requiring quite large-scale investment. These include a cement factory in Guangdong province, South China, requiring investment of some $150m to increase its capacity by 1.2m tons a year, and the investment of about $27m to improve the capacity of a soda ash and ammonia chloride plant in Xiamen, Fujian province.

China favours joint ventures and compensation trade—where the foreign partner is repaid in materials produced—in its dealings with Western interests over the 130 projects.

All but five of the 130 projects are established ones which are in need of modernisation. Half are in coastal provinces.

Since the joint venture law was promulgated in 1979, 40 joint projects have been approved and 27 are now in operation. The number of co-production and compensation trade projects is now almost 1,000.

Foreign investment in these projects totalled almost $8bn, Ji Chongwei said.

Meanwhile, it has been announced in Peking that Occidental Petroleum will this week sign an agreement with China's Coal Development Board for a feasibility study on the proposed Pingsuo open-cast coal mine in north-west China.

The Pingsuo mine is a huge undertaking and will require an estimated $500m-$600m worth of foreign supplied components and expertise to bring it into production.

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DALLAS/FORT WORTH 3:35 P.M.	£214	KANSAS CITY 6:10 P.M.	£219	PORTLAND 8:43 P.M.	£262
AMARILLO 6:40 P.M.	£232	LAS VEGAS 5:10 P.M.	£237	RENO 6:44 P.M.	£237
AUSTIN 5:45 P.M.	£227	LOS ANGELES 5:45 P.M.	£212	SAN ANTONIO 5:55 P.M.	£227
CORPUS CHRISTI 7:38 P.M.	£242	LUBBOCK 8:27 P.M.	£232	SAN FRANCISCO/OAKLAND 9:00 P.M.	£240
DENVER 6:50 P.M.	£237	MEXICO CITY, MEX. 8:10 P.M.	£304	SEATTLE/TACOMA 7:35 P.M.	£240
HARLINGEN 7:20 P.M.	£242	MIDLAND/ODESSA 9:40 P.M.	£232	TULSA 5:20 P.M.	£219
HOUSTON 6:25 P.M.	£214	NEW ORLEANS 5:44 P.M.	£215	WICHITA 5:30 P.M.	£219
		OKLAHOMA CITY 6:45 P.M.	£219		

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UK NEWS

Drivers may pay to enter London

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE Greater London Council is to consider charging the *drivers* of private cars for access to central London in an unprecedented attempt to cut traffic congestion after the forced cancellation of the council's cheap fares policy for London Transport.

The proposal to charge drivers as they enter central London is in an unpublished report prepared for the last Tory administration of the GLC in 1979. Sir Horace Cutler, the Tory leader, refused to publish it because it involved interference with car drivers' freedom.

Yesterday this decision was reversed by the Labour-controlled council's transport committee in an attempt to find alternative ways to make people use public transport. The committee acknowledged that the existing measures to control parking were "inadequate."

"Traffic congestion in central London at peak periods has reached unacceptable levels and continues to rise," the controller of transportation and development said in an accompanying report to the committee.

Congestion is expected to rise even further as a direct result of the 100 per cent rise in London Transport fares last Sunday. An extra 300,000 car, taxi and motorcycle journeys are likely in London every day, a rise in vehicle mileage of nearly 3 per cent.

The proposals outlined for London in the report from Sir Horace's administration called for a licence for vehicles crossing a cordon north of the River Thames.

At current prices the licence charges would be almost £2 a day

The proposed cordon would extend from the junction of Marylebone Road and Edgware Road in the west of central London to Aldgate and Whitechapel Road in the east through King's Cross in the north and down to the lines of the Thames from Tower Bridge to Vauxhall Bridge.

The proposed restriction would apply to controlled vehicles crossing the cordon into central London in the working day.

Passengers oppose plan for third London airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Air Transport Users Committee, which represents the interests of airline passengers, believes it would be more convenient for most travellers if no third London airport were built. Heathrow and Gatwick should be expanded to meet foreseeable demand, it said.

In a representation to the public inquiry into the development of Stansted, which is sitting at Quendon Park, Bishops Stortford, the committee says two airports are better than three. Passengers would prefer not to travel the 30 miles from Central London to Stansted when they can go only 13 miles to Heathrow or 24 to Gatwick.

The committee is not in favour of a fifth passenger terminal at Heathrow. Although it says this may well be the only practical course.

But it feels that it is not right "to scatter airports around London the way the Victorians scattered their main-line railway stations."

The committee also argues that while it might take longer to expand Heathrow—by moving the Perry Oaks sewage works to create a site for Terminal Five—increases in passenger demand are unlikely to be as great as was expected a few years ago.

Total losses of aircraft cost $97m less last year

BY OUR AEROSPACE CORRESPONDENT

LOSSES suffered by the international aviation insurance market were substantially reduced last year.

Statistics from the Aviation Insurance Offices Association show that 12 Western-built jet airliners were total losses last year, at a cost of about $123m (£68.4m) compared with the 23 jet aircraft costing $220m lost in 1980.

However, the first two months of 1982 have seen three jet aircraft lost, costing about $68m, and with many airliners operating today worth more than $50m each, a relatively small number of losses can *significantly* affect the annual results.

Passenger deaths in 1981 amounted to 355 in six fatal accidents — considerably less than the 744 deaths from fatal accidents in 1980. Crew fatalities dropped by 30 to 92.

Mr Ivor Purdue, chairman of the Aviation Insurance Offices Association, that in 1981, efforts by some underwriters to improve premium levels and terms and conditions of insurance were undermined by others willing to capitalise on the overcapacity in the market.

Although there had been some moderate rate increases in the year, it would be wrong to assume that premiums had reached an acceptable level, he added.

New airline to develop Air UK charter business

FINANCIAL TIMES REPORTER

A NEW AIRLINE, British Island Airways, is being set up to develop as a separate company the charter activities formerly conducted by Air UK. The latter will continue to fly as a scheduled service airline.

Mr Peter Villa, for some time the managing director of Air UK, and his associates will take over the shareholding of BIA, at present owned by Air UK.

Mr Villa will become chairman and joint managing director of the new airline, with Mr Terence Oldham, formerly with Pelican Air Transport.

British Island Airways expects to be fully operational from Gatwick on April 1, using One-Eleven jets. As well as charter flying for tour operators, it will engage in other aviation activities, such as spares trading, airline management and business conference travel.

● Nigeria Airways will introduce a Boeing 747 Jumbo jet on the route between Lagos, Kano and Heathrow from April 1 with an aircraft leased from Scandinavian Airlines System.

Revenue loses tax appeal against property group

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A TAX-SAVING property transaction between companies in the Town and City Properties group was legitimate, the High Court ruled yesterday.

Mr Justice Goulding dismissed an *Inland* Revenue appeal against a decision by tax commissioners in favour of Arndale Properties, one of the group's companies.

The commissioners had held that Arndale was entitled to set a loss of £2.2m it claimed to have made on the transaction against its profits for corporation tax purposes.

The judge said that another group company, Sovereign Property Investments (Newport) spent £5.3m on acquiring and developing leasehold property in Newport.

In March 1973, when the property had a market value of only £3.1m, it was assigned for £3.09m to Arndale, which, on the same day, assigned it to another group company, the Arndale Property Trust, for £3.1m.

In 1975 Arndale, which had previously surrendered trading losses with a view to group relief being obtained by other Town and City companies, claimed under section 274 of the 1970 Income and Corporation Taxes Act to have made a loss of £2.2m—the difference between the £5.3m laid out by Sovereign and the market value of the property when Arndale acquired it—allowable in computing its profits for tax purposes.

The Revenue contended that the section did not apply, because Arndale had not acquired the property as trading stock, but only to get a tax advantage.

The judge said it was not *disputed that the only motive* for the double assignment, rather than a direct assignment by Sovereign to The Arndale Property Trust, had been the expectation of a tax benefit for group companies.

There was force in the Revenue's argument, because, although the transaction had been consistent with Arndale's trade as a property dealer, it would never have been undertaken for merely commercial purposes.

But the judge decided that the transaction had not been so affected and inspired by tax considerations as to change its shape and character from that of a trading transaction.

British lead fast food race, says Ronay

BY ARTHUR SANDLES

THE BRITISH have beaten the Americans at their own hamburger game—according to Mr Egon Ronay, the UK gastronomic guru.

A new Ronay guide, Just a Bite 1982, reckons that branches of Julie's Pantry (a Trusthouse Forte subsidiary) are better than Burger King, and that the newer Wimpy branches are superior to *McDonalds*.

In the Ronay league table Julie's Pantry scores 67 per cent. After that comes Burger King (62 per cent), Sup U *Like (60 per cent), Wendy* Hamburgers (59 per cent), Wimpy (59 per cent), Kentucky Fried Chicken (55 per cent), McDonald's (52 per cent) and Huckleberry's (47 per cent).

The new Ronay guide concentrates on the family end of the market, spotlighting establishments which offer good food, and particularly good tea, at a reasonable price. It also covers wine bars.

It expresses surprise at the *high standards of the fast* food world. "Tastelessness is fast disappearing and the choice is wide," says the guide. It predicts a "complete *transformation in the old mass* feeding methods in our cities."

Not only did Julie's Pantry offer the best hamburgers, says Mr Ronay, but "perhaps the best doughnut the inspectors had ever tasted". The best coffee was at Burger King but good chips were almost universal.

This praise for a THF offshoot may go some way towards mending the fences broken in past exchanges between Mr Ronay and Lord *Forte, THF chairman*, notably over motorway service areas.

The guide believes such services are substantially improved and seeks some of the *credit for this for the* Ronay organisation's campaigns.

The fast food world, says the guide, has its greatest asset in the staff "whose innate cheerfulness never abandons them." Ronay also likes the cheerfulness and cleanliness of fast food outlet decor.

The *usual complaint* about them was queueing. But Ronay inspectors stopwatched the waits and found the average to be three minutes

For the first time the guide has chosen Britain's best tea room; Claris, at Biddenden in Kent.

Just a Bite 1982. Egon Ronay's Lucas Guide for Gourmets on a Family Budget. Penguin, £2.95. 400 pages.

Sony announces television and camera advances

BY ELAINE WILLIAMS

SONY, the Japanese consumer electronics company, is to introduce a new concept to television in the UK in May.

The company says that Profeel is the most dramatic advance in television technology since colour sets were introduced in 1967.

The system separates the three main components of a television set—the monitor or screen, the tuner to select the television channel and the sound system.

These will be sold separately in the way that hi-fi systems are made up of speakers, tuners and amplifiers, and will allow the consumer to keep up with technological advances such as stereo television and videodiscs when they arrive.

The system is intended to overcome obsolescence in television set design though rapid developments in video, television and computer technology.

There is a growing interest in home computers for entertainment and education, which will use the television screen to display information.

The monitor, which costs £350 can operate with a video cassette recorder to act as a conventional television as all these recorders have built-in tuners.

However, Sony says that the monitor's picture quality matches that found only on professional television monitors which cost nearly £1,000. It has been designed to work with any of the world's television standards.

Yesterday Sony also revealed its revolutionary magnetic camera system, the Mavica, in Europe for the first time. The Mavica, first announced last year, looks like a conventional single lens reflex camera, but stores images on a tiny magnetic disc holding up to 50 individual picture frames.

The Mavica will be available in Japan next year, but is unlikely to reach Britain before 1985.

When it is introduced in the UK the Mavica camera will cost £350, the viewer—which links into a television set—will cost £100 and the magnetic discs will cost £1.50 each. However the discs can be erased and used hundreds of times.

The system has *many* industrial and commercial applications as well as its potential to displace conventional photography.

EEC cash loans for coal conversion

BY MAURICE SAMUELSON

TREASURY and EEC officials are putting the finishing touches *to a programme of cheap EEC* loans aimed at encouraging UK industry to convert to coal from dearer oil or gas.

EEC officials are pressing for up to £100m to be made available at less than broad commercial interest rates. They say their package could provide *five-year loans covering* 50 per cent of a conversion project at 12½ per cent interest—possibly as low as 11 per cent.

This money would supplement grants already available from the Industry Department, covering up to 25 per cent of a project for replacing oil or gas by coal.

Negotiations about the additional cash were reported yesterday at a conference organised in Warrington, Cheshire, by the National Coal Board's western area.

Mr Brian Phillips, a member of the EEC's Directorate for Credit and Investments, said *the money could come out of* £400m on which the UK can draw in 1982-83 for a wide range of uses.

Since the money is a mixture of sterling and foreign currencies, the Treasury will have to allocate exchange risk cover —thereby deciding how much will be devoted to programmes.

So far, its has been willing to allot only £15m of this money *for conversion to coal by British* industry. In contrast, it is willing to give exchange risk cover for £325m towards industrial job creation; £35m for tourism and £25m for energy conservation.

However, £12.5m has been committed already for coal conversion, leaving *only* £2.5m for similar projects over the next two years. The Treasury is under pressure in the EEC and from the National Coal Board to raise this to £100m.

Although some £50m is available as grants from the Industry Department, it is feared this may fail to win many converts to coal. *The EEC money would* mean companies could finance up to 75 per cent of the cost of conversion through grants or attractive loans.

Lisa Wood writes: A total of £1.7m has been granted to the UK from the Common Market's Social Fund to finance local job creation and training schemes.

About half, £729,800, goes for the Tyne and Wear Enterprise Trust for projects involving some 2,000 workers in the *projects*.

The UK received £140.88m in the last year from the fund, which gives emphasis to helping the unemployed.

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UK NEWS

State directors' salaries in line with pay limits

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A LITTLE KNOWN cadre of public servants called deputy chairmen of area electricity boards was the only group of nationalised industry board members to make a major break through the Government's 7 per cent public sector pay limit set for 1981-82.

With the help of the Department of Energy, they successfully argued their case for pay rises of some 12 to 17 per cent on salaries of £17,500 to £22,500 a year.

The rest of the 35 industries involved managed to win only one or two isolated exceptions to the rule—including a little extra for some of their deputy chairmen.

Sir Peter Parker, chairman of British Rail, is the best known example. Insisting his annual salary should rise by 25 per cent from £48,000 to £60,000 if he were to remain chairman of British Rail.

Chairmen of two new corporations, British Telecom and the Post Office (see table), also did well with rises of 25 to 31 per cent because salaries for their industries were being set for the first time.

These figures were published yesterday when the Government issued Public Boards 1982, its annual list of the salaries paid to "members of public boards of a commercial character."

The list includes all traditional nationalised industries, their regional boards and one or two other State-owned businesses—a total of more than 50 boards. But Rolls-Royce, the aero-engine manufacturer owned direct by the Industry Department, managed to have its name dropped in yesterday's edition. It appeared briefly last year.

Rolls-Royce chairman, Lord McFadzean—whose salary is believed to have risen by only 6 per cent to £66,000—persuaded the Government that his company's foreign image and export prospects were hurt by being included in lists with State-owned industries such as steel and railways.

BL, which is owned on broadly the same basis as Rolls-Royce, also escapes inclusion although its chairman, Sir Michael Edwardes, is known to earn the top salary in State industries—about £100,000.

The significance of the figures that appeared yesterday is that they are the first results of the new system of fixing nationalised industry boardroom salaries since they were hive off early last year from the remit of the Top Salaries Review Body.

The Prime Minister announced last April that that the salaries would be fixed according to market considerations—taking into account what it takes to recruit and keep the best candidates.

But within weeks of confirming this new approach, Mrs Thatcher and the Treasury operated an escape clause by pleading that the national economic situation meant the salaries would have to be held down to the public sector limit of seven per cent.

This infuriated the chairmen but few managed to do much about it. Some industries, like the Coal Board and the national and regional electricity boards, argued that differentials had been so upset by the Government holding down rises in the past, that in many cases top executives below board level were being paid more than board members.

It was this argument that won the deputy chairmen of the area electricity boards — who are responsible for running their areas under part-time chairmen—the bigger increases, raising their salary bands from £15,000-£20,000 to £20,000-£25,000.

There were also one or two isolated cases of individuals winning a little extra.

While the Coal Board lost its case for a special review, the British Airports Authority received extra rises. These meant that its chairman, Mr Norman Payne, was allowed to heat the seven per cent limit by one per cent creating enough headroom for his full-time board member just below.

The salaries of individual board members were not published yesterday, only their salary ranges. These indicate that those in the major industries such as rail, coal, steel, gas and telecom broadly earn between £28,000 and £35,000.

Now the industries are preparing their proposals for the coming year. The question being asked is whether the Prime Minister will dare to infuriate the chairmen and their non-executive directors (who prepare the proposals) by trying to impose the latest 4 per cent public sector limit, or whether she will allow a little market-style bargaining to begin.

MAJOR NATIONALISED INDUSTRY SALARIES

Chairman and industry	1980-81 salary	1981-82 salary	Increase %
Mr Peter Shelbourne, BNOC	£58,500	£62,600	7
Sir Peter Parker, British Rail	£48,000	£60,000	25
Sir George Jefferson, British Telecom	£46,000*	£57,650	25
Mr Ron Dearing, Post Office	£40,750*	£53,650	31
Sir Denis Rooke, British Gas			
Sir Derek Ezra, National Coal			
Mr Robert Atkinson, British Shipbuilders	£48,000	£51,360	7
Mr Austin Bunch, Electricity Council			
Mr. Ian MacGregor, British Steel	£48,500	£48,500†	nil
Mr Norman Payne, British Airports	£34,000	£36,750	8
Mr Sidney Eburne, Crown Agents	£30,850	£33,000	7

* 1980-81 salaries (on which percentage increase is calculated) were paid as deputy chairmen of the former merged Post Office.

† Mr Ian MacGregor has waived two annual increases that would now have brought his basic salary (apart from any future bonuses) to £56,700.

SE resists insurance companies' charges call

By John Moore, City Correspondent

THE Stock Exchange has resisted calls by the insurance companies for a substantial reduction in charges made by brokers on gilt-edged purchases in the stock market.

Mr Brian Medhurst, joint secretary and chief investment manager of the Prudential Assurance group, said yesterday that insurance companies "will be disappointed." He said that he would be considering what further action to take.

After widespread criticism of its proposed increases in charges among pension funds, unit trusts, investment trusts, insurance companies and other major investing institutions, the Stock Exchange has had to make concessions in its proposed programme of increases.

● The minimum commission on small sales of equities stays at £7 instead of going up to £10. This concession does not apply to purchases.

● Overall proposed increases on equity commissions, which would have given stockbrokers an extra 7.5 per cent, have been scaled down to give an across the board increase of 4.5 per cent.

The ruling Stock Exchange Council said it has decided to confirm its original proposal to make a concession for switches of large holdings in British Government securities. But the proposed increases in the gilts charges remain unchanged from those originally intended by the Stock Exchange.

The concession on the switching proposals, argues the council, could reduce commission o nswitching transactions by up to 25 per cent in many cases. Mr Medhurst said that insurance companies did not accept that argument.

The Stock Exchange said that gilt-edged specialist stockbrokers could see a reduction in their revenues by 12 per cent in real terms as a result of the proposed changes.

The Stock Exchange said it does not expect that the adjustment will prevent a continuing fall in the number of broking firms.

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Capital investment in chemicals industry likely to fall by 6%

BY MARTIN DICKSON

CAPITAL investment in the UK chemicals industry is expected to total £4.6bn in the next three years—a drop in real terms of more than 6 per cent compared with 1979-81, according to the Chemical Industries Association.

Despite this trend, UK chemical companies still appear to be investing more heavily than those in other EEC countries. Present British spending plans generally should mean a substantial margin of spare capacity over projected home and export demand in the first half of the 1980s, the association says.

In its annual survey of investment intentions, published yesterday, the association estimates that capital expenditure in the UK will rise by about 7 per cent in real terms in 1982, level out in 1983 and turn down in 1984.

The cut reflects the severe impact of the recession on the chemicals industry. UK output fell by 1.5 per cent last year and dropped by 8 per cent in 1980.

CHEMICAL INDUSTRY INVESTMENT

(fixed capital expenditure in UK on plant, vehicles and buildings in £m)

Year	At current prices	At 1975 prices
1980	1,360	708
1981	1,228	595
1982	1,430	638
1983	1,580	635
1984	1,650	599

Source: Chemical Industries Association

Capital investment in the industry last year is estimated at £1,228bn—a drop of 10 per cent on the 1980 total in current prices and 16 per cent in constant prices.

Some 16 per cent of the 1981 total was for nuclear fuel treatment plant and its share of investment is expected to rise to 23 per cent in the 1982-83 period.

When nuclear fuel is stripped out of the figures, investment expenditure on mainstream chemicals is significantly lower.

The association expects it to rise by only 3 per cent in real terms this year, with falls of 3 per cent and 10 per cent in 1983 and 1984.

Some 48 per cent of planned investment is going on new products or increased production facilities; 20 per cent on the replacement of existing facilities; 10 per cent on energy saving measures; 8 per cent on health, safety and the environment and 14 per cent on other items.

The survey says that when compared with the mid-1970s, a lower proportion of capital spending is going on new products or increased production facilities.

A regional breakdown of new investment shows a net gain in Scotland's share, mainly at the expense of the north-west of England and the Midlands.

The present spending programme will maintain the UK's high share of total EEC chemical industry investment, currently about 28 per cent—considerably higher than the UK's share of European production.

Mitel wins second order from British Telecom

By Jason Crisp

MITEL, the growing Canadian telecommunications company, has won orders worth a minimum of £16.5m from British Telecom to supply small private automatic branch exchanges, PABXs.

It is the second major PABX order Mitel has won from British Telecom. The first, placed in the summer of 1980, greatly upset British Telecom's traditional suppliers, GEC, Plessey, Standard Telephones and Cables and TMC. The initial minimum order on that occasion was for £5m but has been increased to £10m to date. The electronic exchange is provided by BT under the name Regent.

Mitel is building a 300,000 sq ft factory in Wales to make the exchanges. It is believed to have fought British Telecom's original minimum order level, now significantly increased. Mitel says it expects the second order also will exceed the minimum value. The latest contract is for delivery by November, 1983.

The order is for two exchanges including £15m of Regent exchanges with 28 to 120 lines. The second order is for a £1.5m exchange with only 16 lines.

Malvern Hills plan given go-ahead by court

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN ATTEMPT to prevent the charm and character of a village below the Malvern Hills being changed by the building of new houses for Midlands commuters failed in the Appeal Court yesterday.

By a majority, with Lord Denning dissenting, the court dismissed an appeal by Malvern Hills District Council against a High Court ruling enabling a developer to go ahead with a new estate of 25 houses in the village of Cradley.

The council had contended that the developer, Robert Barnes and Co, had not begun operations with the time limit imposed by the 1971 Town and Country Planning Act.

Relying on a judgment by Lord Denning in an earlier case, the council argued that work that changed the physical character of the land, and had some degree of permanence, must have been done before operations could be said to have begun.

Rejecting that contention, Lords Justice Eveleigh and Tasker Watkins said the preparatory work of pegging-out the estate road, done by the developer within the time limit, had been sufficient.

As a result of this decision, the council will face a £500,000 compensation claim from the developers.

Lord Justice Tasker Watkins said he suspected that the understandable opposition of at least some of the villagers had driven the council to seize on every legitimate tactic and argument to thwart the developers.

It would have to face the consequences now, he added.

Lord Denning said Cradley was one of a number of charming old villages dotted among woods in the valley of the Malverns.

The village had quite enough houses for everyone.

A local planning inquiry had found the development socially unacceptable but the Environment Secretary had felt bound in law to go ahead. A High Court judge had agreed with him.

Bankers argue against foreign tax credit curbs

By Peter Montagnon, Euromarkets Correspondent

THE executive committee of the British Bankers' Association agreed yesterday to make urgent representation to the Treasury against plans to limit tax credits UK banks can obtain against their international loan business.

The banks fear that the measures, announced in the Budget, could lead to loss of competitiveness for London as an international financial centre, driving business to New York.

At stake are credits against UK corporation tax totalling about £80m a year which the banks are entitled to claim against withholding tax paid abroad, or as a result of double taxation treaties with foreign countries.

Some banks fear they would suffer serious deterioration in their relationships with established foreign customers if the legislation forced them to raise margins on existing loans to compensate for the loss of the tax credit.

Women's Aid to look at work rules

RESEARCH into how new rules on the availability for work of the unemployed could affect women is to be made by Welsh Women's Aid, the co-ordinating body for Women's Aid groups in Wales.

The research into the regulations, piloted in 20 areas in Britain, including Cardiff, Ebbw Vale and Merthyr Tydfil in South Wales, is to be financed by a £3,000 grant from the Equal Opportunities Commission.

In a report published last year Sir Derek Rayner recommended unemployment benefit offices should make a closer check on whether people claiming unemployment benefit were available for work.

Pound forecast to fall against D-Mark

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

STERLING is expected to weaken about 12 per cent against the D-Mark in the next year, but strengthen slightly against the dollar, according to the Henley Centre for Forecasting.

In its latest forecast of exchange rate movements, the centre predicts that the pound will be worth DM 3.84 by March, 1983, compared with DM 4.35 on March 1 this year. It expects the pound to be worth $1.97 next year compared with $1.82 on March 1 this year.

The centre says: "Although the recent cut in North Sea oil prices appears to have been discounted by the markets the pound will remain vulnerable to further oil market developments in the short term. Nevertheless, a fall below $1.80 is not likely to be sustained as U.S. interest rates are expected to ease."

The decline against the Deutsche Mark is expected to reflect the strengthening of the West German balance of trade current account as a result of the weakening of oil prices and other factors, and to be bolstered by improved prospects for stability in Poland.

A lowering of the West German inflation rate from the annual 6.3 per cent recorded in January is expected in the medium term, although the decline in the short term is expected to be small. Improved inflation figures are also expected to contribute to favourable sentiment about the West German currency.

The centre predicts a devaluation of the French franc in the summer, partly in response to a general strengthening of the Deutsche Mark.

The centre forecasts that by March next year Eurodollar three-month interest rates will have fallen to 13 per cent and three-month Eurosterling rates will be 12.5 per cent.

It predicts that in the U.S. three-month rates will fall about 1½ points from 14.6 per cent at the end of February to 13 per cent next March.

Henley Centre for Forecasting, 2 Tudor Street, London, EC4.

Greater demand for plastic film

DEMAND for plastic film, most of which goes into packaging, showed signs of recovery in 1981 from the previous lean year. Total volume demand, however, was still well below that of 1979 because of the decline of low-density polyethylene sales.

An Economist Intelligence Unit bulletin on packaging finds little evidence of raw material price rises seriously affecting sales of flexible plastic packaging films. It forecasts that they will continue t ohold their market share and attributes any weakness i ndemand mainly to recession and destocking by customers.

Drop in volume of construction orders

BY ANDREW TAYLOR

THE RISE in orders received by construction contractors during 1981 appears to have halted, at least for the time being.

Figures published yesterday by the Environment Department show that construction orders in the three months to the end of January, 1982, were 3 per cent lower than in the previous quarter and 4 per cent lower than in the same period last year.

In 1981, construction orders rose by 4 per cent. Orders were boosted by several large public sector contracts including power station work and a new terminal to be built at Heathrow Airport. Orders for road contracts were also higher than normal with transport authorities taking advantage of the very low tender prices being offered by contractors.

Advance ordering for road works means that the bulk of the money allocated for this year's trunk road programme has already been committed and as a result the level of road orders may be expected to decline in the coming 12 months.

Battle to cut GLC budget

THE CONSERVATIVE-controlled London Borough of Kensington and Chelsea has begun a High Court battle to force the Greater London Council to cut its overall £669m budget for the coming year by cancelling a £34.6m demand on the capital's ratepayers.

The borough claims £30m, included by the GLC in case the Government outlaws the right to levy an extra rate, is unfair. It says the same of £4.6m earmarked to cover shortfalls in income from council housing stock transferred to the local boroughs.

OBITUARY

Showering's marketing led him to the top

SIR KEITH SHOWERING, the chairman and chief executive of Allied Lyons since 1975 who collapsed and died, in London on Tuesday night, helped make his family's Babycham business into one of Britain's most celebrated post-war marketing successes.

He then rose via Allied's board to one of the foremost positions in British industry.

His death at 51 comes at a time when Allied Lyons seems poised to benefit from several strategic decisions taken under Sir Keith's leadership during a period of major change for the whole drinks and brewing industry.

Allied is one of the most broadly based food and drink businesses in Europe and tenth largest company in the UK.

Sir Keith was born and grew up in Somerset, where he joined the family's 300-year-old cider business in 1947. Six years later his father and two uncles were ready to launch a product using pear juice and a double fermentation process.

Sir Keith played a major role in the marketing success of Babycham. Then he brought off another marketing coup after Showerings acquired Harveys, the Bristol-based sherry company in 1966. He increased its profits ten-fold in seven years and made Harveys Bristol Cream a world brand leader.

The acquisition of Showerings by Allied Breweries in 1968 made Sir Keith a rich man, valuing his own shares in the company at over £3m.

Sir Keith responded energetically to the management demands of Britain's second largest brewer.

Allied's boardroom saw personal rivalries in the years immediately after the arrival of the Showering family directors.

However, Sir Keith's astute business brain as well as a major holding in Allied's shares, helped him steadily to the top despite his relative lack of formal education.

He once said that his "ability to make money" was something he would not swap for a degree from Harvard Business School.

With an incisive mind which was sometimes belied by his—and at other times prompted a somewhat autocratic management style—joviality, he turned his chairmanship to three particular tasks.

Allied Breweries had become over-centralised, with a management structure which he thought stifled initiative. He did much to restore the group's commercial motivation.

In the beer market Sir Keith inherited a business caught unawares by the boom in lager sales and then wrong-footed by the move back from keg bitters to regional ales. As chairman he worked hard to heighten Allied's brand consciousness, but this did not stop him using harsh words on occasion about the Campaign for Real Ale.

He also acknowledged the brewing industry's need to diversify in order to achieve long-term growth.

This was the background to Allied's successful acquisition in 1978 of J. Lyons.

Sir Keith was vice-chairman of Guardian Royal Exchange Assurance and a director of the Midland Bank. He was knighted for his services to industry.

He leaves a wife, Marie Sadie, and six children.

Sir Keith Showering

UK NEWS—LABOUR

TUC defers internal row to unite against Tebbit Bill

BY JOHN LLOYD, LABOUR EDITOR

THE TUC general council has postponed a bruising struggle over a radical change in its structure, to preserve a common front at conference called to approve a strategy of opposition to the Employment Bill.

But strenuous efforts are still being made to drop a plan to make representation on the general council automatic for all unions over 100,000 members. A meeting of the mainly left-wing unions opposed to change was held on Monday to discuss tactics.

They argue that the principle of "automaticity" is undemocratic, contrary to its stated aims, but it is understood no firm decisions on the issue were taken.

Mr Len Murray, TUC general secretary, said that yesterday's meeting of the general council endorsed a recommendation for further study of the electoral arrangements to be adopted by the smaller unions.

The full general council would grapple with the issue at its meeting towards the end of April, he said. The employment legislation conference of union executives is on April 5.

The conference — dubbed yesterday by Mr Murray as a "unity rally"—is now certain to show an unyielding front of hostility to the employment legislation. It will present the TUC with its biggest test of delivering militant union action over any attempt by employers to use the Employment Bill.

Mr Murray said: "employers can do themselves — and the country—a favour by by telling the Government that they do not need or want this disruptive legislation, before it is too late.

"No sensible employer looking after his own interests can relish another bruising and damaging period of industrial conflict resulting from ill-conceived and provocative legislation."

● The TUC appears to be modifying its traditional hostility to legislation on hours, by continuing an examination of legislation to enforce limits on working time. It is also to examine the French system of "solidarity contracts," under which Government subsidies are paid to companies introducing shorter hours.

It is understood that the TUC itself is favourable to the idea of legislation on the issue, and that a number of major union leaders are coming round to the same view.

● The council expressed its "serious concern" over the situation in El Salvador, and has deplored the Government's decision to "lend authority to the elections on March 28 by sending two British observers."

Unions send £250,000 aid to Poles

VITAL SUPPLIES for Poland, organised by the TUC, are loaded onto a lorry outside Congress House, London.

Mr Len Murray, TUC general secretary, stacks sacks in the back of the lorry, the first of six to be sent to Poland by the TUC. With him are (left) Mr Moss Evans, TGWU general secretary, and (right) Mr Frank Chapple, general secretary of the electrical and plumbing union EPTU.

The lorries, carrying nearly £250,000 of aid, will contain altogether 20 tonnes of baby food, five tonnes of tinned meat, one tonne of skimmed milk, one tonne of tea, one tonne of edible oil, 10,000 dehydrated meals, clothing and other items.

The supplies, donated by British companies in response to union requests, will be distributed to the needy in Poland by the Episcopal Charity Commission

Moderates poised to win again in Civil Service union poll

BY PHILIP BASSETT, LABOUR CORRESPONDENT

MODERATES ARE poised to win a further crucial electoral battle in Britain's largest Civil Service union, the deeply politically-divided Civil and Public Services Association.

Following the election, as union's general secretary, of Mr Alistair Graham, who had moderate support, against Mr John Macreadie, a supporter of the Labour Party's Militant Tendency, right-winger Mr John Ellis seems to have defeated Mr Macreadie again in the contest to be deputy general secretary.

Balloting closes tomorrow and although it has been a low poll — some estimates put it as low as 20-25 per cent of the union's 230,000 members — more than 250 branches have so far voted.

Some union estimates give Mr Ellis the lead over Mr Macreadie with the proportion of the voting being split roughly: Ellis (nearly 50 per cent); Macreadie (under 30 per cent); Ms Diana Warwick, a middle ground candidate (under 20 per cent); and Mr Peter Thomason, another left-winger (under 10 per cent).

Many large branches have voted for Mr Macreadie. Final voting in the union's largest branch, Newcastle Central Office, takes place today, but on current figures Mr Macreadie has won by about 2-1 there, taking more than 2,000 votes.

He also took the Scottish Office branch, with 348 votes, to 25 for Mr Ellis, 25 for Ms Warwick and none for Mr Thomason.

The left and right-wing machines in the union have been pushing hard for Mr Macreadie and Mr Ellis respectively, though Ms Warwick's campaign has caused surprises. She has distributed possibly 100,000 leaflets on her own behalf

The ballot result is not formally due until April 5, though there are some expectations in the union that it could be announced next week.

Mobil tanker drivers table big pay claim

BY BRIAN GROOM, LABOUR STAFF

UNION LEADERS of 500 Mobil tanker drivers and ancillary workers yesterday formally presented a claim for substantial but unspecified pay rises which may have repercussions in the oil industry's next bargaining round.

Mobil's May settlements have for the past two years become targets for drivers in other companies, which have settlement dates in November.

Last year strikes were threatened at Esso, Shell and Texaco in pursuit of Mobil's 11 per cent settlement, but these companies and BP held the line at 8.1 per cent.

The Transport and General Workers' Union will have difficulty achieving a Mobil deal above the 7½ to 8 per cent going rate which has since been confirmed in the industry. Mobil, like other companies, is suffering heavy losses on its downstream activities.

Last year's settlements opened up a differential on basic rates. The simple weekly basic of £116.55 for Mobil grade one drivers is about £3 above that of its competitors.

Mobil average earnings and productivity payments are lower. Their drivers earn about £185 a week, which is slightly above Esso (£178), but below Shell (just over £200), BP (£217), Texaco (£190-£195), and a number of smaller companies.

Mobil was the first to agree a productivity deal, but its £16 payment is behind BP (£24), Shell (£20) and Texaco (£20-£25). Esso has not yet concluded a deal.

Fowler agrees to meet nurses' leaders

By Our Labour Staff

MR NORMAN FOWLER, the Social Services Secretary, yesterday agreed to meet leaders of Britain's 500,000 nurses following the breakdown of pay talks on Tuesday.

However, it is understood that Mr Fowler has made it clear that he will not intervene in the negotiations.

The talks are deadlocked over the management side of the National Whitley Council insisting that it can not improve on a 6.4 per cent pay package.

The nurses' unions, which are demanding increases in line with inflation, want the Government to allocate further funds for wages.

More ships diverted from strike-hit Tilbury dock

BY OUR LABOUR STAFF

A FURTHER eight ships due to dock at Tilbury yesterday were cancelled or diverted by the Port of London Authority as a pay strike by 1,800 dockers continued.

So far, a total of 15 ships have been hit by the dispute which escalated on Tuesday when members of the Transport Union voted to join the National Amalgamated Stevedores and Dockers Union in rejecting a 5.5 per cent pay and bonuses package.

The stoppage will be discussed at a meeting of the NASDU executive today and at a mass meeting of the 1,400 TGWU dockers

The strike has halted all activity at Tilbury's conventional cargo handling dock. But normal working is continuing in the grain and container terminals.

The PLA has made clear that it is unable to increase its offer, which was boosted by an additional bonus award after arbitration by the National Joint Council for the Port Transport Industry.

● Shipyard workers on the lower Clyde voted yesterday to accept the Confederation of Shipbuilding and Engineering Unions' national wage settlement of 7 per cent. The majority decision followed at a mass meeting in Greenock.

BA ramp staff resume talks

BRITISH AIRWAYS and the Transport and General Workers' Union yesterday resumed talks over the six-week-old stoppage by 2,000 ramp staff working on short-haul flights from London's Heathrow airport.

However, little progress seemed to have been made, and BA was still maintaining all its services through the use of volunteer labour.

● All British Caledonian flights out of Gatwick were halted yesterday when the company's aircraft loaders refused to handle baggage following disciplinary action taken against one of their colleagues.

Wage deals 'in 6-9% range'

PAY SETTLEMENTS in the past two months have been kept within a narrow 6-9 per cent range, according to the independent Incomes Data Services research group.

Its survey, which claims to give a comprehensive view of basic rate increases across all parts of the economy, shows that within this range, settlements have been most frequently struck at 7-8 per cent.

It adds that calls to settle at half the level of last year's deal now no longer have any impact. The longer-term picture is of a stable spread of settlements between 5 and 12 per cent.

Sealink founders in Irish waters

Robin Reeves looks at the dispute halting the Holyhead to Dublin service

THERE IS still no solution in sight to the two-week dispute which has halted Sealink's Holyhead-Dun Laoghaire ferry service at a cost, so far, of at least £500,000.

Reflecting local anxiety, Anglesey Borough Council this week formally urged the Advisory Conciliation and Arbitration Service to intervene in the conflict.

In spite of pressures from Sealink's management, workers at Holyhead, and the ten unions representing them, continue to stand firm in their campaign to prevent the British Rail owned port being opened up to a rival ferry service by the Irish B and I Line.

Superficially it appears that workers are taking a parochial view of the possible effect of competition on their jobs. In practice the Holyhead impasse is the reaction of a community suffering 24 per cent male unemployment, which feels a major slice of its livelihood is being disposed of in a secret trade off between two government owned companies with—now—different operating philosophies.

Whereas Sealink is under orders to pay its way by selling unprofitable business and preparing for privatisation, B&I is being encouraged to expand its way back into profitability by grabbing a bigger share of Irish sea traffic. Sealink's Holyhead employees are determined not to be the sacrificial lambs in this process.

Sealink decided to suspend its Holyhead service after B&I seamen allegedly seized a company vessel and prevented Sealink's St David ferry entering Dun Laoghaire. This was in retaliation against the refusal by the Holyhead unions to co-operate in implementing B & I's agreement with Sealink, introducing a competitive service between Holyhead and Dublin, beginning this month.

The damage to industrial relations so far has been slight. Both sides have played their cards carefully. Of the 1,100 employed at Holyhead, only 38 dockers belonging to the National Union of Railwaymen, have been suspended—for refusing to tie up B & I vessels.

Sealink has advertised for replacements and, by all accounts, found them. But so far no attempt has been made to use the new recruits to break the boycott of B & I.

As matters stand, Sealink is cutting off its nose to spite its face. A major part of its traditional business on this route must clearly be being diverted to B & I's Dublin-Liverpool and Pembroke-Cork routes. But Sealink is inclined to suggest that in the long run everyone will benefit from the addition of B & I services. In any case, Sealink insists it has no option but to allow B & I in the port under the "open ports philosophy" of the 1847 Harbours Act.

Sealink's arguments might have sounded more convincing to Holyhead workers except that:

● They were pressing Sealink for some time to introduce a two shift service on this route, but were told as recently as last December that the amount of traffic did not justify it. Sealink stressed this was the case even though, following last year's introduction of the St David, its £18m St Colomba ferry was destined to lie largely idle for eight months of the year.

● Sealink gave the Holyhead unions no inkling of its negotiations with B & I.

● The unions are in no doubt that Sealink could have prevented B and I's entry by changing its own sailing times if it had wanted to.

B and I plans to use the same two ships to operate its nightly Dublin-Liverpool service. Instead of lying idle from 6 am to 11 pm the Dublin-moored ferry will be used for 10 hours to sail to Holyhead and back, giving B and I substantially better use of its ships.

Sealink does not appear to have defended the interests of its Holyhead employees against a rival operator. Having signed the agreement with B & I, Sealink now says it could not anyway afford the compensation involved in breaking the contract.

If the Holyhead workers give in, they forsee the day when Sealink winds up its Holyhead ferry services and limits itself to collecting some £1m in harbour dues and other charges from the Irish company which in turn, will recruit its staff in Dublin rather than Holyhead.

CONTRACTS

£6m Iraq hospital package

SHANNING INTERNATIONAL, Berkhamsted, has won a £6m contract for a special nursing hospital in Baghdad Medical City. It is for a total package of the equipment and furnishings of a 250-bed specialised nursing hospital including wards, theatres, laboratories, kitchens and administration offices. Supply, installation and commissioning is to be completed in six months for the official opening in September.

*

PHILIPS GROUP PROJECTS (UK) won contracts worth £1m for work on private hospitals. The contracts cover the provision and installation of electrical, electronic and medical systems. The hospitals being undertaken by Saltahart Holdings, the private health care company, are being construction at Brentwood (32 beds), Blackpool (38 beds), Solihull (32 beds) and Southend (32 beds).

*

An order worth well over £850,000 has been won by MATHER AND PLATT, part of the Wormald International Group, for the supply of a total of 32 pumps and motors for use at the Heysham II and Torness AGR nuclear power stations.

*

Intensive trials and research by a Royal Navy technical team have led to an order worth £500,000 being won by RACAL COMMUNICATIONS, the strategic communications systems specialists of the Racal Electronics Group, for the supply of companys TTA 1885A one-valve transmitters. The transmitters are for Naval coast stations around the UK and deliveries will begin in April. The order, placed by the Ministry of Defence (Procurement Executive), formes part of a Royal Navy re-equipment programme.

*

NEC TELECOMMUNICATIONS EUROPE COMPANY has been awarded contracts worth £500,000 to supply facsimile transceivers linking major rail freight users with area centres in British Rail's total operations processing system (TOPS). The orders cover more than 200 Nefax 3500 CCITT Group II transceivers which will enable BR's customers to send hardcopy orders—such as forwarding instructions—over public telephone lines to area freight centres throughout the country.

*

A renewal forklift truck hire contract worth more than £187,000 has been awarded to HARVEY PLANT'S Southampton branch by Martini and Rossi. It includes the supply of 10 Caterpiller M40 electric counter balance trucks of 400 lb capacity, all complete with side shift attachments. The trucks will be used for storage and consignment distribution from Martini and Rossi's West Bay Road location within Southampton Docks.

*

A contract worth £173,000 has been awarded by Warrington and Runcorn Development Corporation to THOMAS ASHLEY, Northwich, for phase 10 of the minor works to provide footways to link existing and proposed housing estates to the already established infrastructure in all areas of Warrington New Town.

*

Bass brewing, hotels and entertainments group has ordered £150,000 worth of computer communications devices from CODEX (UK), Croydon, a Motorola company. The equipment is to be used in setting up a depot support system for the breweries distribution side of the group's business.

*

OCEONICS, Alton, has won two international contracts. Seiscom-Delta, a U.S. geophysical contractor, has purchased a computer package to integrate positioning systems valued at $250,000 (£139,000), and this will be delivered and installed on a seismic survey vessel in Singapore at the end of March. Another contract is for a similar navigation system valued at $130,000 (£72,000) which has been delivered to Digicon in Houston.

*

J. A. ELLIOTT has been awarded two contracts totalling over £1m. One is for courtyard improvements at the GLC's White City Estate at £366,000; while the other is for the City of Westminster at £802,000 and consists of 24 flats in a three-storey block together with six shops, a children's play area and an older person's "pop-in parlour" at the junction of Church Street and Lisson Grove, London NW8.

*

Keeping the weather at bay is not the only reason for double-glazing. The city of Birmingham is currently keeping the noise out of 603 homes by fitting a total of 2,140 secondary windows inside local authority houses in the Sheldon and Tile Cross areas. The contract for the noise insulation work to 359 dwellings was awarded to ALPINE DOUBLE GLAZING and is worth £250,000 to the company. The houses are directly in the flight path used by airliners approaching Birmingham International Airport.

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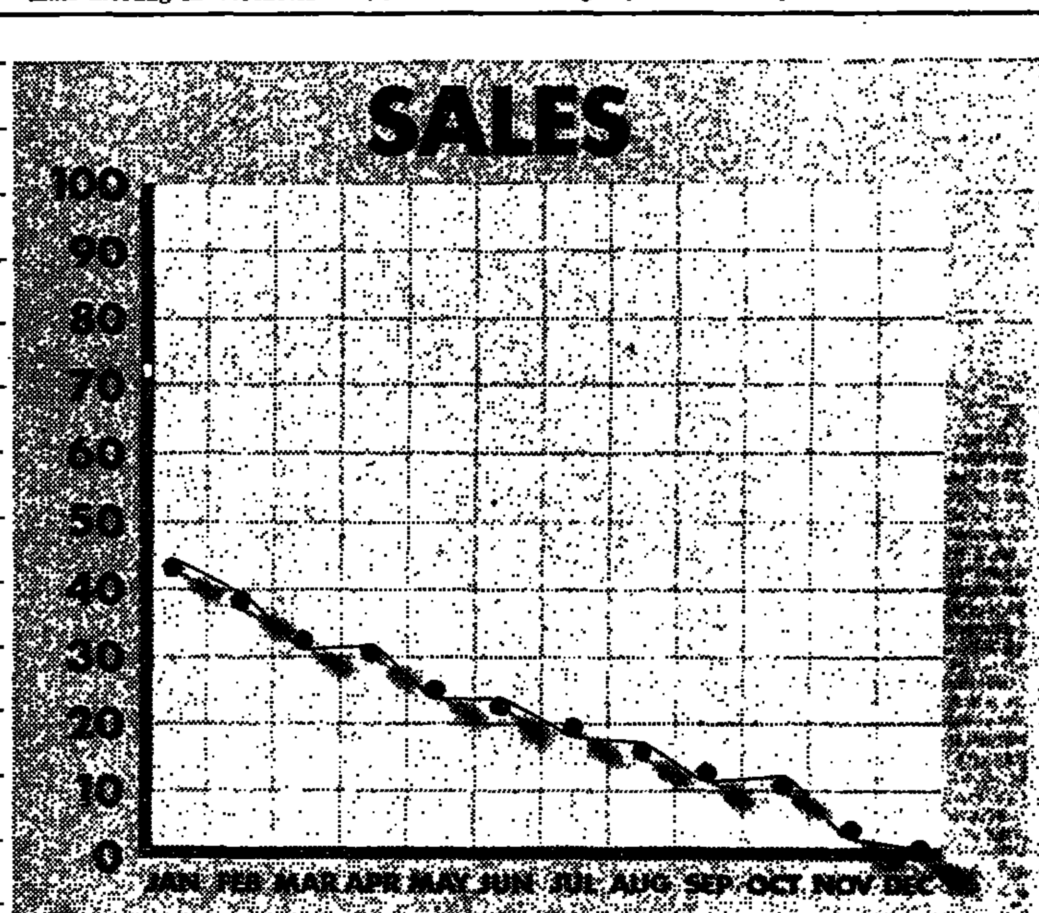

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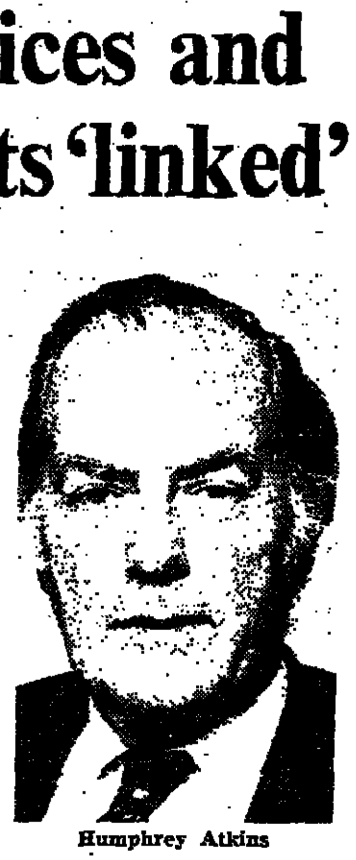
UK NEWS—PARLIAMENT and POLITICS

Atkins reaffirms EEC prices and payments 'linked'

BY IVOR OWEN



Humphrey Atkins

BRITAIN'S determination to ensure that agreements on future EEC budget contributions is aligned with approval of the next round of price increases for Community farmers was reaffirmed by Mr Humphrey Atkins the Lord Privy Seal and Deputy Foreign Secretary in the Commons last night.

He stressed that the two issues were "linked" when seeking to allay Labour fears that Britain could be forced into isolation in her long-running dispute over the size of the net annual payment she is called upon to make to the Community.

Mr Eric Heffer, Labour's spokesman on European affairs, warned that it would be quite wrong if there were to be "a shabby deal" on the budget while at the same time Britain consented to an increase in farm gate food prices, which cost British consumers a great deal.

He voiced his suspicions again later when Mr Peter Walker, the Minister of Agriculture, called for a general recognition of the need to provide a bigger return for Britain's farmers to keep up the level of investment in home agriculture, and maintain production on a satisfactory scale.

The Minister said the improvement in the incomes of Britain's farmers last year amounted to only two per cent in real terms.

Mr Walker reminded MPs that for several years farmers had suffered a drop in their incomes and emphasised that investment during last year began to fall.

It was not in the interests of the country or in the interests of British agriculture for that to happen again, he said.

He acknowledged that cheaper oil and other energy prices, and lower interest rates would help farmers. But he underlined the fact that the latest wage increase for farm workers would add up to a considerable extra cost for the farming industry.

Mr Walker said there must be some improvement in the prices secured by farmers if there was to be higher investment and higher productivity from British agriculture.

Dealing with the prospects for the next round of increases in EEC farm prices, Mr Walker promised to seek continuing restraint in areas where there were surpluses. But he also said that Britain's attitude would take into consideration "the realities of that scene."

Mr Walker pointed out that proposals to increase the support prices for cereals—by between 5.5 per cent and 7.05 per cent—represented a lower increase than that proposed for last year.

He said: "most of us would like to see a better balance between cereal producers and livestock producers both in the UK and elsewhere in Europe and will welcome and press for that differential to be maintained."

Mr Walker claimed that the new proposals on the distillation of wine embodied an agreement which totally safeguarded Britain's industrial alcohol industry.

The new safeguards had been designed to prevent a threat developing to the major investment which had taken place in Britain's industrial alcohol industry.

When Mr Heffer pressed for an assurance that the new arrangements would not result in any British workers losing their jobs in the industrial alcohol industry Mr Walker retorted "this is a much better agreement than anything Labour achieved."

Mr Walker hit out at Labour leaders for tabling an amendment to a government motion envisaging an agreement on EEC farm support prices for 1982-83. The amendment advocated the abandonment of the Common Agricultural Policy.

In a veiled warning to Tory back bench anti-Marketeers he contended that vote in support of the Labour amendment would be tantamount to saying that Britain should no longer have any part of the EEC.

NEC ratifies Bradford N. reselection proposal

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

LABOUR'S national executive committee yesterday ratified its organisation sub-committee's recommendation for a re-run of the selection procedure in Bradford North, where the local party chose Mr Pat Wall, a member of the Militant Tendency, in preference to the sitting MP Mr Ben Ford.

At one of its shortest and most amicable meetings for months the executive also endorsed, with virtually no discussion, the organisation committee's view that another member of Militant should be allowed to stand as the official Labour candidate in Liverpool Wavertree.

The executive, which was clearly determined to avoid arguments before today's crucial Hillhead by-election, also confirmed that the inquiry into the activities of Militant tendency would be completed in June.

This means that it is likely to figure large on the agenda for the party conference in the autumn.

Rhein-Saar-Lux-LB Balance Sheet '81:

	1981	1980
	In Million DM	
Balance Sheet Total	3,795	2,718
Due from Banks	1,332	1,010
Due from Customers	2,062	1,522
Volume of Credit	2,831	1,995
Securities	118	90
Capital Funds	125	94

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Thatcher downgrades Reagan address to parliament

BY MARGARET VAN HATTEM, POLITICAL STAFF

PRESIDENT REAGAN yesterday mounted his white charger and rescued the Prime Minister from her distress over the embarrassing affair of his address to parliament in June.

The White House announced that the President would be "delighted" to address members of both Houses in whatever venue the Government chose.

Shortly afterwards, Downing Street announced that the President would be invited to make his address in the Royal Gallery, and not in the more historic setting of Westminster Hall originally planned.

The announcement is a triumph for Mr Michael Foot, the Labour leader, who set out on a personal crusade to stop the Westminster Hall address as soon as he read in the press of the Government's intentions.

He told Mrs Thatcher that he totally opposed such an invitation, and would have done so earlier, before informal soundings were taken with U.S. officials, had she bothered to consult him.

Although he did not directly threaten a Labour boycott of the occasion, the possibility was obviously taken into account.

Labour, supported by the Liberals, indicated that honour would be satisfied if the occasion were downgraded. The Social Democrats indicated that they did not care one way or the other.

The Government, judging discretion to be the better part of valour, sounded out the Americans on whether the compromise would be acceptable.

Mrs Thatcher appears to have held out against the idea, and at one stage warned the Commons that the fuss would do "untold harm" to Anglo-American relations.

She appears, however, to have been won round by some of her senior colleagues and advisers, who point out that the Royal Gallery, with its imposing pictures, is much more pleasant than draughty Westminster Hall.

Indeed, it has been suggested, the only reason President de Gaulle was invited to speak in Westminster Hall (he was the last Head of State to have had that honour) was because it was felt that the Royal Gallery's picture of Wellington meeting Blucher after Waterloo might have discomfited him.

So Labour has won, but it may prove a Pyrrhic victory. For while some left wingers are determined to keep their other engagements on the day courtesy demands that most of the party should turn up.

Howe optimistic of meeting inflation forecast

By Max Wilkinson, Economics Correspondent

SIR GEOFFREY HOWE, the Chancellor of the Exchequer, said yesterday that he was optimistic that the Government's inflation forecast would be met this year, but he warned that living standards would probably continue to fall.

He was giving a post-Budget assessment to the Treasury and Civil Service select committee.

He said that on both counts it was essential that there should be moderation in the current pay round. This would be crucial towards better inflation prospects and also for keeping to a minimum the cut in real take home pay.

Sir Geoffrey described the Budget forecast of an annual rate of 9 per cent inflation by the end of this year as a "central" figure.

He said the reduction of the inflation rate in February from 12 per cent to 11 per cent gave him confidence that this forecast figure would be achieved, and that a further reduction to an annual rate of 7½ per cent could be achieved in the following year.

He said, however, that last year it was estimated that real take home pay was reduced by about 3 per cent and this process would continue.

The reduction in real income represented a necessary recovery from the pay explosion of 1979-80 he said.

Between 1977 and 1980 real take home pay increased by about 17 per cent, but even after a squeeze during the first nine months of 1981, living standards were still no lower than in 1979.

He emphasised that the squeeze on real incomes would be proportionately less if wage bargainers continued to exercise "wisdom, sense and moderation."

Howe: living standards will fall

Lord Lane blames pornography for crime increase among young

FINANCIAL TIMES REPORTER

THE Lord Chief Justice, Lord Lane, blamed the increase in crime among young people on imported glossy pornography, yesterday.

During a law and order debate in the Lords, he said anyone who sat in his court in London's Strand would realise the "imitative effect of the huge increase in the sale of pornography."

And he attacked the "positive incentives" to commit crime in the shape of violence depicted on screens of all sizes.

"Inquisitiveness, and greed are depicted, and all these things are religiously imitated by youngsters who form such a very large proportion of the citizens."

Lord Lane started his controversial maiden speech by attacking crime figures released by the Metropolitan Police showing a breakdown of figures for both white and black people.

He said: "They are mostly misleading and largely unintelligible."

The police could only operate with the consent and active help of law-abiding citizens, and their efficiency should not be undermined by people who ought to know better.

Lord Lane said the types of sexual behaviour which accompanied sexual crime were "almost unbelievable and quite obviously traceable to the glossy imports which come into this country disguised as Danish bacon or Dutch tomatoes in very large quantities."

These percolated through the shops and found their way into the hands of young people with the inevitable results seen every day.

Lord Lane said these were the areas where the attack on crime should be levelled rather than—too late—at the time when these young people arrived in court.

Lord Lane said neither the courts nor the police could solve the problem of rising crime. By the time the criminal fell into the hands of the police and by the time he reached court it was too late. The damage had been done and the remedy if it could be found must be sought a great deal earlier.

But he said judges were moving towards shorter sentencing, although this was not always appropriate for violent and sexual crimes.

"What the judges were trying to do at the moment was to reduce prison sentencing wherever possible.

"Prison never did anyone any good and it is remarkable how the attitude of the experts, the criminologists, and those who seek to advise judges has changed over the last few years.

"Judges up and down the country now undoubtedly realise and need no encouragement to realise that the shorter the sentence can be the better," said Lord Lane. But there was a limit to what the judges could do. "Certain criminals have to be met with prison and certain criminals have to be met with substantial prison sentences.

"Offences of violence—whether they be violence with weapons, guns, knives or sexual violence—have to be met with terms of imprisonment—often severe terms."

Britain kicks the habit, says Tebbit

TWO YEARS after drinking in the Last Chance Saloon Britain is beginning to kick its bad habits and face up to fighting the competition instead of fighting among ourselves, said Mr Norman Tebbit, Employment Secretary.

He told a CBI Conference in London that two years ago inflation was 17 per cent and rising. Now it was 11 per cent and falling.

Manufacturing productivity was then set to fall 7 per cent. Now it was rising by 10 per cent.

He said the Government had been accused of heartlessness, and of not caring. "It has always been easier to give the saloon bar drunk another drink—it keeps him quiet for the moment. But this Government did say no. Not only did we stop serving drinks in the Last Chance Saloon, we brought the shutters hard down on the fingers of those who were still drinking. We have to stop the binge before we were all swept away in a torrent of excess."

Mr Tebbit said there were many pointers to a more secure and more stable economic future than at any time in the last decade.

After Hillhead . . . Beaconsfield: by-election bandwagon moves on

Elinor Goodman on the next major test of public opinion

AS THE electorate of Glasgow Hillhead goes to the polls today, the voters of Burnham, 450 miles south will be taking part in two local by-elections which could provide a pointer to the result of the next major test of public opinion.

Burnham, just off the M4 north of Slough, is in the parliamentary constituency of Beaconsfield, where the death of the sitting MP, Sir Ronald Bell, three weeks ago, means there will shortly be a by-election.

Once Hillhead is out of the way, the political caravans will move on to Beaconsfield, and an electorate which has been largely ignored by the media on the grounds that it instinctively votes Conservative will find all its long-held beliefs being challenged.

Already, the parties are moving into action. The Liberals, who will fight the constituency on behalf of the Liberal/SPD Alliance, have selected their candidate, Mr Paul Tyler, the former Liberal MP for Bodmin, and secretary of one of the joint Liberal/SDP commissions.

The Labour Party, which until now has tended to regard Beaconsfield as a desert, will chose its candidate shortly,

The Conservatives have over 10,000 members in the constituency — a seventh of the electorate

while, in a sure sign that the by-election will be highly publicised, the independents are also moving in.

An Independent Conservative is to stand on a very right-wing platform on the grounds that, having elected Sir Ronald Bell for 30 years, the voters of Beaconsfield must like the right.

The Conservative Party is taking things at more stately pace, and will not select a candidate until the end of April, which means the poll is unlikely to take place before June.

The Conservatives have had over 300 applicants to consider for what would, until a year ago, have looked like a job for life. Beaconsfield is one of the 50 or so safest Conservative seats in the country, and even today, the Tories must have a very good chance of holding it. But the local Tories are being told they must avoid complacency at all costs, and fight it like a marginal.

From the Liberal point of view the seat has one great advantage. On paper, at least, it has the makings of that situation of which Liberal dreams are made: a third party squeeze in which Labour rather than the Liberals are squeezed.

In 1979, Labour beat the Liberals into second place, but in February 1974, the Liberals came second with just under 30 per cent of the vote.

It is the kind of constituency in which Labour would find it difficult to convince the electorate—or indeed itself—that it had a chance of winning, and in which the Liberals would be expected to pick up a fair number of protest votes.

But it will be a very difficult task. The Tory majority of 21,505 is larger than anything the Alliance has yet overcome, and the Conservatives are awesomely well organised. Unlike in Crosby, where the local party had become very run down before the by-election, the Conservative party in Beaconsfield is flourishing.

It has over 10,000 members—around one-seventh of the electorate, or, looked at another way, one-eighth of the SDP national membership. In one of its 20 branches, 550 of the registered electorate are paid-up members. Even allowing for the many members who joined for purely social reasons, Captain Wilkinson, the party's full time agent, reckons he can count on 1,000 voluntary workers from within the constituency helping during the campaign.

Captain Wilkinson has fought nine elections in the area, and regards the constituency as a Conservative possession in much the same way as Britain's colonial Governors used to regard the colonies.

Indeed, if the Tories did lose Beaconsfield, it would be a sign that the Conservative empire was beginning to crumble.

Sir Ronald Bell held the seat, split between Buckinghamshire and Berkshire, since its formation in 1974, and before that was MP for 24 years for the old seat of South Bucks.

As one of the most outspoken right wingers at Westminster, and a fervent anti-marketeer, he was sometimes at odds with members of his own party, and in 1972 there was a much publicised run-off for the nomination between Sir Ronald and the Tory left winger Mr Fred Silvester. But he was never in any danger of losing the seat to another party.

The constituency has all the outward signs of what used to be regarded as safe Conservative territory: large detached

The seat has the makings of a Liberal dream—a third party squeeze on Labour

houses set well back from the roads, neat private housing estates, picturesque villages looking out on well kept greens, and fields full of Thelwell-like ponies.

Shaped like an inverted U, it takes in commuter villages like Bourne End and Gerrards Cross, and between them acres of rolling farmland and the occasional golf course.

There is little industry in the constituency, indeed there seem to be more garden centres than factories. In some ways it seems to have been protected from the problems facing the rest of the country.

Local estate agents say demand for property slackened last year, but now report that buyers are becoming more "confident" again. In Beaconsfield's main street, the shoppers exude an air of comfortable affluence.

But there is another side to the constituency. At the Slough end, there are two large council estates where Labour is traditionally strong. This part of the constituency is in Berkshire and returns two Labour county councillors.

Around Burnham and Wooburn Green, there are also some large council developments, while some of the bright new private estates which dot the constituency are just the kind of places where the Alliance should pick up support from younger married couples with no strong loyalty to any other party.

There is considerable dissatisfaction with the Government among some of these couples. Most people work outside the constituency, and unemployment is below the national

An electorate ignored by the media because it instinctively votes Conservative will find all its beliefs challenged

average, but in both the nearby Slough Industrial Estate and in High Wycombe, there have been lay-offs.

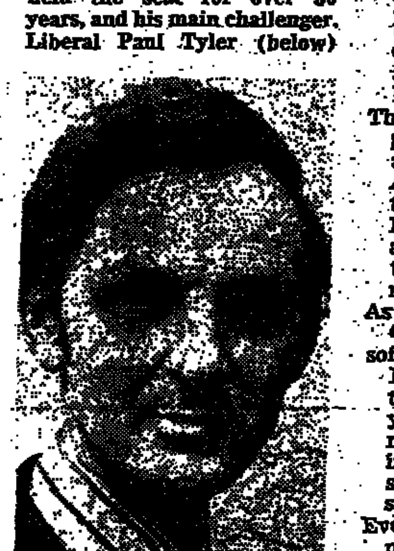
At coffee mornings you hear stories of small businessmen struggling to keep going, and of young executives made redundant. There are complaints, too, about primary schools being closed, and even in Beaconsfield school leavers do not find it easy to get a job.

There does not seem to be the same resentment about the Government's handling of the economy that was so prominent in Crosby, where the bleeding scar of Liverpool just down the railway line was a daily reminder of the unemployment problem.

There certainly is a protest vote in Beaconsfield, but it will have to be nurtured very carefully if the Tories are to be threatened. Other issues likely to figure in the campaign, like law and order and Buckinghamshire's right to carry on with grammar schools, could help the Conservatives.

Both the Liberals and the SDP have pockets of support. The Liberals have around 250 members in the constituency, and Iver returned a Liberal to the Tory-controlled Buckinghamshire County Council. The SDP has attracted quite a lot of support, and the local party, which covers the two neighbouring constituencies as well, has over 700 members, some still very enthusiastic and keen to get involved.

A little disappointed not to be fighting the by-election themselves, local members have thrown themselves into the spirit of the Alliance by endorsing Mr Tyler.



FROM RIGHT TO CENTRE: Sir Ronald Bell (above) who held the seat for over 30 years, and his main challenger, Liberal Paul Tyler (below)

For its part, the Labour Party has just over 300 members. It is described by its secretary as Centre-Left, and voted for Mr Tony Benn in last year's deputy leadership contest. A Labour victory in Hillhead would certainly improve morale, but according to one Labour activist, "it would take something close to a revolution to change Beaconsfield into a Labour seat."

Mr Tyler claims that despite the size of the Conservative majority, he has th edistinct advantege over Mr Roy Jenkins, the Alliance candidate in Hillhead, that Beaconsfield will be

If the Tories lost, it would be a sign that the Conservative empire was beginning to crumble

a two-horse race. Possibly anticipating defeat for Mr Jenkins, he argues that the Hillhead result will not affect the outcome in Beaconsfield.

If Mr Jenkins were to win today, it would put the Alliance bandwagon firmly back on the rails, and it might just move on to take Beaconsfield.

It would be ironic if the SDP loses, for in many ways the urbane Mr Jenkins would have seemed much more at home in Beaconsfield than in Hillhead.

Commons Sketch

Chancellor fails to play the Scots card

OUR SUSPICIONS were quickly aroused as Sir Geoffrey Howe, Chancellor of the Exchequer, began to answer questions about his Budget before the Commons Treasury and Civil Service select committee yesterday.

He confessed that he had not been able to give his full attention to a list of written questions from the committee because he had been absent in Scotland on Monday and Tuesday.

Had he perhaps been lurking around Hillhead to sniff out opportunities for a handout of Government cash for Scotland, in some shock horror eve-of-poll announcement?

Our fears, however, were soon allayed. He had been in Edinburgh, and seems to have missed the general notion that no minister should rise to his feet this week without suddenly discovering some glowing prospects for the Scottish economy, particularly in the Glasgow area.

In fact, it was the sober-sided Sir Geoffrey that we know so well, although he did seem more relaxed and — yes — actually made one or two sharp wisecracks.

Mr Michael English (Lab., Nottingham West) the scourge of any witness before the committee, believed he detected disparities between the Chancellor's forecasts of previous years, and the actual out turn of the economy.

He suggested that the actual effect of the Government's had been to reduce local government spending, increase central government spending, reduce public investment, and increase the money supply.

"I give you credit for your plans but what worries me is that you have been whistling in the dark," said Mr English.

Sir Geoffrey effectively slapped him down by observing: "It is nice to see you are whistling with me."

The trouble was, said the Chancellor philosophically, that some criticised him for being too lax in controlling money supply while others thought he had been to strict. All this confirmed him in his belief that he had got it about right.

There was a rather slippery performance by the Chancellor when he was closely questioned by Mr Richard Wainwright (Lib, Colne Valley), about the abandonment of M3 as the sole money supply target and the adoption of a range of options between M1, M3 and those johnny-come-latelys PSL I and PSL II.

"It could be said you pick different friends at different times," said Mr Wainwright.

But Sir Geoffrey made it clear that as far as he was concerned all the indicators were a gang of old pals that all had a place in his affections.

The Chancellor was also hard pressed by the committee about the effect of high American interest rates on the British economy. Labour MPs felt that he had not been as tough in his pressure on the U.S. Government as he might have been.

As one would expect, Sir Geoffrey favoured the softly-softly approach in such matters. In characteristic prose, he told the committee: "When you are discussing the economic policies of other states in public it is prudent to do so in terms that are less han strident."

Ever since Budget day the pundits have been trying to decide whether the package was reflationary, deflationary, or merely neutral. Yesterday's grilling did not throw much light on these matters.

"I have given my best judgment. It seems to me to be reasonably pessimistic. . . . I mean reasonably optimistic," said the Chancellor in a Freudian slip.

Mr Wainwright suggested that perhaps his stance should be described as pragmatic.

"Ah, there's a word for you," mused the Chancellor. "It has been used by so many people, that one hesitates to apply it to oneself."

Mr Austin Mitchell (Lab, Grimsby) took a folksy approach as befits his former profession as a TV interviewer.

It seemedt o him that the Chancellor was claiming credit for bringing inflation down at the same time as disclaiming responsibility for the high interest rates and high exchange rates which have caused this drop.

"It's like I used to ride a bicycle," said Mr Mitchell. "Look, no hands."

According to the Chancellor, however, the medium term strategy was still alive and kicking.

The Budget was planned to secure substantial progress against inflation, to achieve beneficient movement of interest rates, secure the prospect of real growth in the economy, and continued progress in monetary discipline.

"I think that is just about the right point now at which to be," he argued.

John Hunt

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The name Peugeot is synonymous with design excellence. The 505 Family Estate fully reflects this and boasts a level of refinement that is hard to rival.

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*Official Government fuel consumption figures. 505GL. Urban cycle: 25 mpg (11.3L/100 Km), constant 56 mph: 38.7 mpg (7.3L/100 Km), constant 75 mph: 29.4 mpg (9.6L/100 Km). 505 FAMILY. Urban cycle: 24.8 mpg (11.4L/100 Km), constant 56 mph: 40.4 mpg (7.0L/100 Km), constant 75 mph: 29.4 mpg (9.6L/100 Km).

PEUGEOT 505

TAKE PRIDE IN PRECISION

BUSINESS LAW

Taking the heat out of trade disputes

BY A. H. HERMANN, LEGAL CORRESPONDENT

WORLD TRADE issues are now a question of life and death for many industries. Some five months ago I said, in this column, that it might not be a bad idea to give more legal thought to the settlement of trade disputes. However, such thought as has since been given to this problem has not had the beneficial effects one would have hoped for. Indeed, the prospects of bringing some reasonableness and objectivity into the settlement of trade disputes now look dimmer than at any time since the 1930s.

Several Bills, introduced in the U.S. Congress recently, are adorned with reciprocity clauses, a legal device exquisitely suited to the disruption of world trade. If enacted, these reciprocity clauses would enable U.S. regulatory agencies to stop imports from countries where U.S. companies have met with difficulties. The guiding principle would be to open the U.S. market to foreign companies only to the degree that U.S. companies can sell in the relevant foreign market.

Such a resolution of trade disputes by retaliation is clearly contrary to the multilateral spirit of the General Agreement on Tariffs and Trade (GATT) which has helped so much to liberalise trade in post-war years. Both Canada and Japan have already protested against the reciprocity legislation, and the EEC is about to warn the U.S. that such legislation would block the extension of GATT to services, which the U.S. desires to secure better access to foreign markets for U.S. banks, insurance companies, engineering consultants, etc.

* * *

Trying to avoid naked retaliation and still do something about its soaring deficit in trade with Japan, the EEC has decided to make a novel use of Article 23 of the GATT. This enables GATT members to free a country of its GATT obligations if they find that its complaint is justified and serious enough. EEC complaints would relate to the entire imbalance of trade with Japan, a much wider issue than the sectoral disputes for which this procedure has been used so far. The sanction, for which approval would be sought, would be global and would differ from the retaliation proposed in the U.S. by having the seal of multilateral approval.

But is it a practical proposition? Even when only relatively minor sectoral disputes are at issue, it is most difficult to reach a consensus within a reasonable time. Before it can come to "adjudication" there are long negotiations about the composition of the panel—many candidates are unwilling to get involved. Then follow delays over the terms of reference, agenda and evidence. And, at the end of the long day, there are no sanctions to enforce whatever conclusions the panel has reached: and so after much delay the dispute has to be resolved by agreement or remain unresolved.

One can easily imagine the political circus which will assemble in any attempt to apply such a procedure to the entire trading relationship between Western Europe and Japan. Of necessity the U.S. will get involved, not as a panellist but as a trading partner of the two parties in dispute. Who will be the neutral panellists? The result can only be another interminable diplomatic conference or the abandonment of GATT.

On a smaller scale, a similar problem is now emerging closer to home. With the rising tide of protectionism, member states are disregarding not only EEC directives, but even judgments of the European Court. The lamb judgment of the European Court, and its disregard by the French Government, is still remembered but what is less well known is that it was only one of 18 cases of failure by member states to comply with the court's judgment during that period. One set of judgments* which is still largely ignored or bypassed concerns discriminatory taxes on Scotch whisky.

Over the past four years—since the UK achieved full membership of the Community—the unlawful, discriminatory, part of taxation levied on Scotch whisky in other member states is estimated to add up to some £225m — four times as much as the UK's net annual contribution to the Community's budget. Though discriminatory tax was condemned by the European Court more than two years ago, France continues to levy it and has made its recovery practically impossible. Whoever now claims in France repayment of unlawfully levied taxes has to prove that the taxes were not passed on to the consumer.

* * *

The absence of enforcement mechanisms for European Court judgments has been worrying European lawyers for a long time, but to no avail. Next week Mr Timothy Eggar (Conservative MP for Enfield), will table a private Bill, under the Ten Minute rule, proposing that the Government should be given powers to retaliate by a temporary prohibition for the restriction of imports of goods from member states which remain in breach of judgment of the European Court. Mr Eggar wants the Trade Secretary to make orders, after consultation with the EEC Commission, prohibiting or restricting imports of certain goods originating from a member state which had failed to comply with a judgment of the European Courts for three months.

Such a solution is, no doubt, tempting for those who are becoming increasingly bitter over their inability to make others accept the high standard of legality which they cherish. But it is a fact of life that the authority of the courts differs greatly from one country to another. Legislation of the type proposed by Mr Eggar is infectious. Its spread would be probably stopped by the European Court. If not, such retaliatory sanctions could give the EEC a *coup de grâce*.

And so we are back to square one and to what was said in this column five months ago: that trade problems will not be helped much by a legalistic always the political responsibility of governments; but that a fact-finding body capable of considering dispassionately the complaints of the interested parties would help, much in the same way as the Office of Fair Trading and Monopolies and Mergers Commission keep the Ministers removed from the heat of anti-trust disputes, even if these ultimately have to be resolved by them.

There may be room in Europe for a body which would do the same sort of fact-finding done in the U.S. by the International Trade Commission. This could provide the European Court with more complete information about the business, economic and political aspects of the trade disputes which the court is asked to decide. It could usefully divert the court's attention from its doctrine to the economic and political reality in which its judgments have to survive.

**Judgments of February 27 1980 against Ireland (55/79), France (168/78), Italy (169/78), and Denmark (171/78). FT European Law Letter, March 1980.*

RACING

BY DOMINIC WIGAN

BACKERS of favourites were out of luck on last year's opening day of the Flat season. However, it is likely to be a different story this afternoon, with both Guy Harwood and Robert Armstrong fielding strong challenges for today's Lincoln meeting at Doncaster.

Harwood, intent on beating his last year's personal best, 97 winners, looks set to score with Bold Hawk and Indian King while Armstrong can expect Feather Sound, fit from a racing spell in France, to lift the Batthyany Handicap.

A winner on his season's debut at Cagnes-sur-Mer, Feather Sound did not quite live up to his early season promise in 1981.

Nevertheless, he was placed in nurseries at Newbury and Newmarket towards the end of the campaign. Judged on his two efforts in the South of France this spring he is now a better horse than the bare results of his first season would suggest.

I take him to land the afternoon's most valuable sprint with a clear-cut success over the lightly-weighted Ken Ivory filly, Gentle Star.

Indian King, among the runners for the £10,000-added Doncaster Mile, got off the mark in his first race last season by putting two and a half lengths between himself and Rushmoor in a well contested event at Goodwood over today's distance.

A handsome and late-developing son of Raja Baba, Indian King has, in his trainer's opinion, made up into a miler capable of making his presence felt in Group Three company. If this is the case, Indian King, who will be considerably more forward than most of his eight opponents this afternoon, ought to win without too much difficulty.

DONCASTER

2.00—Repitch
2.35—High Old Time
3.05—Feather Sound
3.35—Indian King***
4.05—Bold Hawk**
4.35—Knight Security*

TELEVISION

Chris Dunkley: Tonight's Choice

You can pop out for an early dinner at any local restaurant of your choice tonight, provided you're back by 9.30 to switch on BBC-2 and the first episode of Heart Transplant. This is a seven-part series which follows the events since last autumn inside one of Britain's two major transplant hospitals: Harefield. Tonight's episode introduces John Haines and his wife Wendy. He is in a critical condition; without a donor heart he will die, so when the call comes from Harefield saying a heart is on offer the Haines's hurry to the hospital.

That series comes from the Department headed by Roger Mills who was responsible for "Sailor," "Hospital" and the "Forty Minutes" series which Heart Transplant replaces. The following programme also has the name of its executive producer to recommend it: Bill Morton's programmes are invariably interesting, as My Village, My Life promises to be. It offers a picture of the Indian village of Nanpur seen through the eyes of Prafulla Mohanti, the only member of the village to have had a Western education. Now living in England as a writer and painter, Mohanti introduces viewers to the village astrologer, the barber, the priest, and the widow.

That's followed by Newsnight which goes to Hillhead for the by-election result.

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.05 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill At One. 1.45-2.00 Mr Benn. 2.15-3.00 For Schools, Colleges. 3.15 Holiday with Cliff Michelmore. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Mighty Mouse. 4.25 Jackanory. 4.40 Huckleberry Finn and his Friends. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Tomorrow's World — the latest news in science and technology.
7.20 Top of the Pops with Peter Powell.
8.00 The Kenny Everett Television Show.
8.30 Love Story: Love Is Old, Love Is New (serial in four parts).
9.00 News.
9.25 Shoestring starring Trevor Eve.
10.20 Question Time with Robin Day.
11.20 A Kick Up The Eighties: The first of a comedy series that looks at life in the 1980s starring Richard Stilgoe.
11.45-11.50 News Headlines.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
3.55 pm Bombay Superstar.
4.45 Caught In Time.
5.05 Anthony Rooley gives a lute recital.
5.10 Frank Lloyd Wright.
†5.40 Laurel and Hardy in "Thicker Than Water."
6.00 All Creatures Great and Small.
6.55 County Hall.
7.20 News Summary.
7.25 Hard Times.
7.55 Take Me Back To New Orleans.
8.30 Russell Harty.
9.00 Call My Bluff.
9.30 Heart Transplant.
10.10 My Village, My Life.
11.00-2.00 am Newsnight including coverage of the Glasgow by-election.

LONDON

9.30 am Schools Programmes. 12.00 The Woofits. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon plus presented by Judith Chalmers and Trevor Hyett. 2.25 Racing from Doncaster. 3.45 The Cuckoo Waltz. 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News with David Bellin and Rita Carter.
6.30 Thames Sport: Derek Thompson, Alan Taylor and Simon Reed reflect the sporting scene including a look ahead to the new flat-racing season.
7.00 Looks Familiar.
7.30 Rising Damp.
8.00 Falcon Crest.
9.00 Shelley starring Hywel Bennett.
9.30 TV Eye.
10.00 News.
10.30 Danger UXB.
11.30 Hillhead By-Election: In the ITN studio with Alastair Burnet will be Mr James Prior, Secretary for Northern Ireland (Conservative), Mr Tony Benn (Labour), Dr David Owen (SDP / Liberal Alliance) and Donald Stewart (SNP).
12.30 am Close: "Sit Up And Listen" with Roy Plomley.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 2.00 Not For Women Only. 4.20 Palmerstown. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Benson. 10.30 Basketball: "Krooklok Masters Tournament." 11.00 Parents and Teenagers. 12.30 am The Living Word.

BORDER

9.30 am Physics in Action. 1.20 pm Border News. 5.15 University Challenge. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Golfing Greats (Severiano Ballesteros). 11.00 Parents and Teenagers. 11.27 Border News Summary.

CENTRAL

12.30 pm The Young Doctors. 1.20 Central News. 4.20 Sport Billy. 4.46 Jason of Star Command. 5.15 Here's Boomer. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Venture. 11.00 Portrait of a Legend: Roy Orbison. 11.30 Central News.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 5.20 Crossroads. 6.00 Channel Report. 6.15 Ladies' First. 6.40 On The Water. 7.00 Benson. 10.28 Channel Late News. 10.34 A Better Read. 11.05 Parents and Teenagers. 11.30 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 4.20 The Flying Kiwi. 4.50 Sport Billy. 6.00 North Tonight. 6.30 Police News. 6.35 Crossroads. 7.00 It's George! 10.30 Bizarre. 11.00 Parents and Teenagers. 12.30 am North Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 1.55 Crown Court. 4.20 Here's Boomer. 4.50 Voyage To The Bottom Of The Sea. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 10.30 Lou Grant. 12.24 am What The Papers Say.

HTV

1.20 pm HTV News. 3.45 Square One. 4.20 Here's Boomer. 4.45 The Flying Kiwi. 5.10 Jobline. 5.20 Crossroads. 6.00 HTV News. 6.30 The Cuckoo Waltz. 7.00 Emmerdale Farm. 10.28 HTV News. 10.30 Scene '82. 11.00 Happy Days.

HTV Cymru/Wales—As HTV West except: 11.22-11.37 am Am Gymru. 12.00-12.10 pm Mwstl. 4.15 Fanfare for Young Musicians. 4.45 Sêr. 5.10-5.20 The Undersea Adventures of Captain Nemo. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.30-11.30 All Kinds Of Everything.

SCOTTISH

1.20 pm Scottish News. 4.20 Unaccustomed As I Am. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Bodyline. 6.30 Now You See It. 7.00 Emmerdale Farm. 10.30 Preview—The Spaver Conection. 11.00 Parents and Teenagers. 12.30 am Late Call

TSW

1.20 pm TSW News Headlines. 5.15 Gus Honeybuns Magic Birthdays 5.20 Crossroads. 6.00 Today South-West 6.30 Tele Views. 6.40 On The Water 7.00 Benson. 10.32 TSW Late News 10.35 Controversy 11.05 Parents and Teenagers. 12.30 Postscript. 12.35 South-West Weather.

TVS

1.20 pm TVS News 2.00 Not For Women Only. 3.45 Square One. 5.15 Radio. 5.30 Coast To Coast. 6.00 Coast To Coast (continued) 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Enterprise. 11.00 Parents and Teenagers. 12.30 am Company.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 1.20 pm North-East News. 4.20 The Lone Ranger. 4.50 Voyage to the Bottom of the Sea. 6.00 North-East News 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North-Teenagers. 12.30 am Postscript. 12.35 Bizarre. 11.05 Come In. 12.30 am Three Million and Rising.

ULSTER

1.20 pm Lunchtime 4.15 Ulster News. 4.20 The New Fred and Barney Show. 4.45 Schools Challenge. 5.15 Radio. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 6.25 Police Six. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Bizarre. 11.00 Parents and Teenagers. 11.30 News At Bedtime.

YORKSHIRE

1.20 pm Calendar News. 4.20 Sport Billy. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 The Other Boat Race. 11.00 Parents and Teenagers

RADIO

(S) Stereophonic broadcast

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 The Record Producers. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 John Dunn (S). 8.00 Country Club (S). 9.00 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.00 The News Huddlines. 10.30 Star Sound Extra with Nick Jackson. 11.00 Brian Matthew with Round Midnight. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Liszt (S). 10.00 Haydn and Barber string quartet recital (S). 10.45 Music for Harp (S). 11.20 BBC Concert Orchestra (S). 1.00 pm News. 1.05 Manchester Midday Concert (S). 2.00 "Jeanne D'Arc Au Bucher" ('Joan of Arc at the Stake'), dramatic oratorio by Arthur Honegger (S). 3.25 Mozart and Brahms (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Goethe's Poetry. 7.30 London, Circa 1765 Concert: J. C. Bach, Mozart (S). 8.00 My Job—Lord Carrington gives the last of three lectures to mark the bicentenary of the Foreign and Commonwealth Office. 9.00 Late Fauré piano recital (S). 9.30 A Century of Choral Music, recital by the BBC Singers. Part 1: Schumann, Kodaly, Brahms (S). 10.10 Interval Reading. 10.15 Recital, part 2: Mendelssohn, Liszt, Bartok, Kodaly, Brahms. 11.00 News. 11.05-11.15 Scarlatti (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather; travel. 9.00 News. 9.05 A Good Night Out. 9.30 The Living World. 10.00 News. 10.02 Town Hall Rules OK? 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain, 1982 (S). 12.55 Weather; travel; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.54 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Kaleidoscope. 8.00 BBC Scottish Symphony Orchestra concert: Delius, Beethoven (S). 8.50 The Other Tiger Bay. 9.10 Concert, part 2: Haydn, Elgar (S). 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 Financial World Tonight. 11.30 Today in Parliament. 12.00 News: By-Election Special. 12.15-12.23 am Shipping Forecast; Inshore Waters Forecast. 12.23-1.00 By-Election Special.

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FT23/3

Name
Title
Company
Address
Telephone

ITT Business Systems ITT

ITT Business Systems is the business communications arm of Standard Telephones and Cables plc.

Alcan Aluminium Limited

Montreal, Canada

Summary of annual report 1981

	1981	1980
Shipments of aluminium in all forms-(tonnes)	1,547,000	1,588,000
Total sales and operating Revenues U.S.$	Millions of U.S.$ 4,978	5,215
Capital Expenditures	974	752
Capital Employed 31 December	5,055	4,161
Net income	264	542
Long-term debt	1,612	910
Common Shareholders' Equity	2,631	2,463
Net Income per Common Share U.S.$	3.24	6.70
Dividends per Common Share U.S.$	1.80	1.35
Number of Common Shares	82,652,000	80,893,000
Number of employees	66,000	67,000

The recession in Europe, Latin America and North America brought a reduced level of demand for aluminium and an erosion of prices. This was the main cause for Alcan's net income falling to U.S.$264 million in 1982 from U.S.$542 million in 1980. Total shipments of aluminium decreased by 3% and sales and operating revenues dropped by 5%.

In Europe, Alcan had significant losses in the U.K., Spain and Belgium. Furthermore, the strengthening of the U.S. dollar had a serious impact on financial results in dollar consolidation. Operations in France, Germany, Italy and Switzerland ended the year close to breakeven results.

Capital Expenditures were a record of U.S.$974 million. Of this total, 46% was spent in North America, mostly in Canada. The 1982 capital spending programme of U.S.$700 million will be concentrated primarily in North America, Brazil and Australia.

Alcan's confidence for the future is based on 3 fundamental strengths—the inherent qualities of the metal for a multitude of applications, the international scale of Alcan's operations and the Company's strong cost-effective largely hydro-electric energy base.

For copies of the Report apply to:- Publications Dept., Alcan Aluminium UK Ltd., South Bar, Banbury, Oxon OX16 9XJ.

ALCAN

SOUTH AFRICA. MORE THAN JUST A GOLDEN OPPORTUNITY.

Today's South Africa has become a gold mine in more ways than one. Forward thinking Government created the climate and infrastructure necessary to establish a profitable business environment. Commitment to companies, both large and small, is positive and far reaching, resulting in a growing involvement from overseas importers and investors. As a direct result, the new breed of manufacturers are making quality products capable of competing in the market place worldwide. For more information within your specialist field, please contact: The Minister (Commercial), South African Embassy, Trafalgar Square, London WC2N 5DP. Telephone: (01) 930 4488 Telex: 8952626

Trading partners for 300 years.

Accountancy Appointments

CITY OF MANCHESTER
DIRECT WORKS DEPARTMENT

Financial Controller

£15,000-£16,000 p.a.

We are one of the largest and well established Direct Works Organisations in the UK operating a comprehensive building and associated engineering service to the City Council.

The Department is currently updating its financial control information systems together with other finance functions to assist the Department's management team.

Candidates will have a proven record of financial experience in a commercial environment preferably in the building/maintenance/engineering industry combined with an energetic and enthusiastic personality.

He/she will be directly responsible to the Director of the Department for all aspects of financial reporting together with the maintenance of all accounting standards as required by the City Treasurer's Department.

Removal and associated expenses up to a maximum of £1,000 payable in appropriate cases. Car allowance payable.

The City Council operates a Union Membership Agreement under which a new employee is required to belong to a recognised trade union.

For an application form and further information contact Direct Works Department (Tel: 061-228 3428 Ext. 230), Salisbury House, Granby Row, Manchester M1 7AH. Please quote ref. 355.

MERCHANT BANKING

c£14,000 + benefits **Control Audit**

As a result of rapid growth, the merchant banking arm of a major U.S. bank intends to increase its management control capacity.

Two recently qualified accountants are required, in the London head office, to join a team responsible for management audits. They will work closely with senior management in developing review programmes in all operational areas, especially of new products. Candidates should have audit experience of banks with highly automated systems and should possess initiative, tact and other personal qualities to facilitate communication throughout the division.

The appointments will provide excellent banking experience in a stimulating environment and could lead to other opportunities within the organisation.

Please contact: Sir Timothy Hoare

Chichester House, Chichester Rents. London WC2A 1EG. Tel: 01-242 5775

Career plan LIMITED
PERSONNEL CONSULTANTS

Financial Director-Designate

Financial Services

to £30,000

City

Rapid and successful growth has identified the need to upgrade the quality and capability of this financial function. The company is a leading fund management subsidiary of a substantial financial holdings group.

As a member of the executive team reporting to the Managing Director, this position takes full responsibility for providing an efficient and effective finance and accounting service. Beyond this there will be considerable involvement with planning and controlling areas of the company's ambitious growth strategy. Success will lead to an early board appointment.

Candidates must be Chartered Accountants, under 40, who can demonstrate achievement in both active departmental management and influencing business decisions. Commercial sector experience would be more appropriate. An enquiring, creative mind together with an open, participative management style will fit in well.

Please reply in confidence giving concise career and personal details and quoting reference ER537/FT to P. J. Williamson, Executive Selection.

Arthur Young McClelland Moores & Co., Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

SENIOR FINANCE POSITION

Middlesex

c. £12,500 p.a. **+ Car Allowance**

Our client, a leading company in the computer industry, wishes to strengthen its financial function and is seeking to fill a senior financial post at its Middlesex Headquarters.

The person appointed will account for and protect the assets of the company primarily in the areas of inventory and manufacturing and will develop and implement accounting systems as necessary to achieve this end. There will be substantial involvement in computer systems, pricing strategy and the establishment of operating the budgets. Promotion to the position of Financial Controller is a very real possibility within six months.

Applicants must have considerable industrial experience in a related manufacturing environment with previous staff control. The ability to meet deadlines, adapt to changing priorities and still achieve under pressure is essential, as is a capacity to establish credibility at a senior level. A suitable Accountancy qualification is highly desirable. In addition to a competitive salary, the company offers a substantial car allowance, free BUPA and Life Assurance and a Contributory Pension Scheme.

If you seek the opportunity to contribute to the overall development of this company, then write in the first instance stating in a covering letter any companies to whom you do not wish your CV to be forwarded, to:

Elizabeth A Goodchild
BASTABLE PERSONNEL SERVICES
(Recruitment Consultants)
18 Dering Street, London W1R 9AF

Bastable
Personnel Services

OIL AND GAS EXPLORATION AND PRODUCTION

Tax Accountant—London

Tricentrol Oil Corporation, with its expanding world-wide interests in oil and gas exploration and production, seeks an accountant with UK oil taxation experience to join its Oil Accounting team responsible for UK based exploration and production accounting.

Working closely with external advisors the Tax Accountant will be responsible for conducting the Company's UK based tax affairs including the further development of tax administration and reporting systems. The Tax Accountant will update and be responsible for computer based financial planning models used for tax evaluation and accounting. Various ad hoc assignments are also expected.

Applicants should ideally be qualified accountants with relevant oil industry experience seeking further responsibility and experience. Good communication skills and initiative are essential.

Salary is negotiable based on experience together with a company car and other excellent fringe benefits.

Please apply in writing or telephone Mrs C Clarke, Tricentrol Oil Corporation Ltd., Capel House, New Broad Street, London EC2M 1JS. Telephone: 01-628 4951.

Tricentrol

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Group Chief Accountant

West Midlands, to £15,000 + car

Promotion within this diversified British Industrial Group has created a vacancy for a Group Chief Accountant. The successful candidate will be responsible for the total Group Accounting function and ensuring compliance with the statutory reporting requirements of a Public Company. Applicants should be qualified accountants and able to demonstrate the discipline necessary to work within tight reporting schedules. Maturity and experience are more important than youthful aggression. Conditions of employment are good and relocation expenses are available if required.

R.R. Varley, Ref: 35190/FT. Male or female candidates should telephone in confidence for a Personal History Form **021-622 2961**, *Albany House, Hurst Street, BIRMINGHAM, B5 4BD.*

Management Accountant (Planning)

Berks/Bucks Border **c £11,000+bonus**

A profitable, well established manufacturing company with a turnover exceeding £25m wishes to strengthen its management reporting team. It is the autonomous subsidiary of a major public group and produces precision engineering components which are sold world wide.

The successful candidate will be a qualified accountant with several years' experience in producing budgets, forecasts and management accounts within a medium-sized light engineering or manufacturing environment. He/she will be able to motivate and communicate confidently with senior management both in the UK and abroad.

The role includes the responsibility for controlling the important planning/forecasting function, thus ensuring that future financial requirements are met. Close liaison with colleagues in the UK and overseas subsidiaries will be necessary when carrying out budgeting, systems development and special investigations.

The remuneration package will reflect age and experience and includes an attractive range of benefits.

Contact M J Bond ACIS at work (or after hours on Crowthorne 71329) quoting Ref No A419

Management Personnel
Recruitment Selection & Search
2 Eton Court Eton Windsor Berks
WINDSOR (075 35) 54256

Syndicate Accountant

Managing Agency

Lloyd's

A prominent Lloyd's Agency seeks an A.C.A. or A.C.C.A. to take full responsibility for the accounts of two substantial Managed Syndicates.

Relevant experience is essential. Age limit: 30-50. For further information, in strict mutual confidence, please contact D. R. Whately. His private telephone number is 01-623 9227. The reference is 538.

WHATELY PETRE LIMITED
Executive Selection
6 Martin Lane, London EC4R 0DL

WPL

Chief Accountant

N. Hants • Service Industry • £12,000+car

Our client, part of a British group with an international spread of activities, is a medium sized company providing a range of specialist services to industry and commerce. Reporting to the Managing Director you will be part of a small, young, high calibre team responsible for the profitable management of the business within a group that encourages a high degree of local autonomy.

Functional responsibility includes a department at the Southern Head Office together with a smaller department at the Scottish site. Much of the basic accounting routines are computerised though one of your key objectives will be the development of improved information reporting systems.

The post will be attractive to qualified accountants in their early 30's looking for the opportunity to manage a complete finance function. The selection process will concentrate on identifying those who, in addition to offering proven accounting competence, can contribute to the company's overall commercial decision making process. A service industry background would be advantageous.

A fully competitive fringe benefit package is associated with the appointment.

Candidates of either sex should apply in confidence, with full career details and quoting ref. 414/FT, to Johnson Wilson—Management Search, 67 High Street, Winchester, Hants, or telephone Winchester (0962) 3319.

JOHNSON WILSON MANAGEMENT SEARCH

Financial Controller

S. E. Essex **To £15,000+car**

Our clients, an electrical engineering company, (T/O £12m.), are a highly profitable subsidiary of a major U.K. engineering Group. The Financial Controller, who is a key member of the executive team, will report directly to the local Managing Director. Supported by a staff of 15, he/she will assume total responsibility for the accounting function. Candidates must be qualified accountants, male/female, aged 30-35 who are prepared to become involved in the department's work, yet at the same time be able to manage the staff and co-operate with other heads of departments. There are excellent opportunities for advancement within the Group. Ref. 1230/FT. Apply to R. P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel. 01-493 0156.

Phillips & Carpenter
Selection Consultants

NEW PROJECT ACCOUNTANT LONDON

Our clients are a Public Company engaged in property development and construction.

Considerable expansion of Group activities has provided an opportunity for the appointment of a New Project Accountant. He/she will be responsible to the Finance Director for investigations and appraisal of proposals and acquisitions, monitoring projects, and special financial planning assignments.

This new position affords an opportunity for career development by making an important contribution to the future of an expanding group.

Probably a graduate with an accountancy qualification – preferably a Chartered Accountant – the successful candidate will be offered an attractive salary and benefits including a Company car.

A full description will be sent immediately on request, together with a career history form.

D. Bryan Andrews Associates
Management Selection
St. Martins House, 29 Ludgate Hill,
London EC4M 7BQ. Tel: 01-248 8033

Taxation Specialist

City c.£15,500+benefits

One of the country's foremost financial enterprises has a vacancy in its Group Taxation Department for a Taxation Specialist; the responsibilities will include assisting parent and subsidiary companies with corporate tax compliance, planning and advice.

It is envisaged that applicants will have specialised in corporate taxation for a number of years after qualifying as an Accountant, but candidates with experience as an Inspector of Taxes will also be considered.

The initial remuneration will be in the region indicated and other benefits are in line with the best in the financial sector including non-contributory pension scheme, low interest rate mortgage facilities and profit sharing.

Applications enclosing a comprehensive curriculum vitae should be sent to the address below, quoting Ref: 239/6/FT, and indicating in confidence any companies to which your application may not be sent.

Charles Barker
MANAGEMENT SELECTION INTERNATIONAL LTD.

30 Farringdon Street, London EC4A 4EA. Telephone 01-236 0588.
MANAGEMENT SELECTION — EXECUTIVE SEARCH

MOORE

LONDON BASE (Worldwide travel) £15,000 + CAR + BENEFITS

COMPUTER AUDITOR

Moore Corporation, Canada, the world's largest manufacturer of Business Forms, require an experienced Computer Auditor. Reporting direct to the Corporate Computer Audit Manager in the U.S., the individual must have technical competence, preferably an accounting designation, diplomacy and good communicative skills.

Operating from London, applicants should be self motivated with the ability to work both alone and in conjunction with financial and computer audit staff at the Company's many locations. A maximum of 50% travel throughout Europe and the rest of the world is envisaged.

Prospects for promotion are excellent in this $ billion World Leader.

Please send applications with curriculum vitae immediately to:

Human Resources Executive—Employee Services
Moore Business Forms Limited, 42 The Centre, Feltham, Middlesex.

Chartered Accountant

Corporate Finance Department

Montagu, Loebl, Stanley & Co., stockbrokers, require a Chartered Accountant to join a small but expanding team in its Corporate Finance Department. The successful candidate will probably be about 30 years of age, qualified, with Corporate Finance experience gained in Merchant Banking, Stockbroking or similar businesses. The right person will be hardworking, enthusiastic and able to get on well with people. Salary will be negotiable and, whilst reflecting the experience of the successful candidate, will, in addition, recognise the importance of the position.

Please reply to:
Mr. R. A. D. Froy
31, Sun Street
London, EC2M 2QP

ACCOUNTANCY APPOINTMENTS

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EUROPEAN MANAGEMENT REPORTING

We are a small but expanding firm of management accountants with substantial American and European clients.

We are seeking an accountant, probably qualified, aged 25-30, to join our team in central London. Particular qualities needed are:

- the technical competence to cope with a wide range of accounting situations
- the ability and desire to work abroad without close supervision for much of the year
- a developed sense of tact and diplomacy
- a flair for European languages

If you think you can meet the challenge of this job please ring Geoffrey Bish A.C.A. on 734 9131

Accountancy Appointments

Financial Controller

South East
c. £17,000 + car

The company is a UK market leader in providing specialist industrial services. It has an excellent growth record and ambitious plans for future development including acquisitions. To prepare for this expansion, it is strengthening its finance function.

Reporting to the Financial Director, the job takes responsibility for accounting and financial controls, management reporting, treasury, taxation, budgetary control and forecasting. Particular challenges include developing the use of financial information by line management and upgrading the quality of the accounting function. Relocation assistance will be provided if appropriate.

Candidates must be qualified accountants, aged 30-35 with controllership experience ideally gained in a multi-site operation. Experience of managing change, staff development and management education is required. Effective communication ability and initiative are essential personal qualities.

Please reply in confidence giving concise career and personal details and quoting Ref. ER536/FT to I.D. Tomisson, Executive Selection.

Arthur Young McClelland Moores & Co., Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

ACCOUNTANT
LLOYD'S BROKERS

c £16,000 + car and bonus — City

A small firm of Lloyd's re-insurance brokers, with an overseas subsidiary and underwriting interests, requires a Chartered Accountant, probably aged 30-45. He or she will take responsibility, with a small team, for accounting for the company which has an in-house computer.

Candidates must have a good knowledge of Lloyd's accounting procedures. The firm has enjoyed steady growth, has plans for expansion and offers excellent career prospects for someone with the right professional and personal qualities.

Please apply to Sir Timothy Hoare,

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New position
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Major US Oil Group seeks ambitious young Graduate/qualified accountants for its systems and operations departments. Suitable applicants will have good computer experience gained in a large company environment and be able to communicate effectively with Senior Management. Excellent prospects. C. LONDON

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50% Paris/Belgium, 50% UK base, plus trips to Germany, Italy and Scandinavia, carrying out an intensive mixture of financial, management and computer audit. Oversee the integration and development of all European systems. Graduate ACA's with fluent French and outstanding management potential, for international subsidiary of US Corporation. HANTS BASE

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A market leader in electrical components offers a unique opportunity to a young Chartered Accountant. Principally involved in reviewing the company's international operations you will work closely with commercial management and have considerable contact at Director level. This varied group role also offers the attraction of Overseas travel. N. LONDON

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

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FINANCIAL CONTROLLER

Central London — c. £9,500

We are seeking to recruit a recently or newly-qualified graduate accountant to work closely with the financial director on all aspects of this company's accounting, financial and administrative affairs.

We are an expanding consultancy, with offices in London and New York, specialising in economic advice to the metals and mining industries throughout the world.

The successful applicant will become a member of an excellent contributory pension scheme and will be eligible to join the company's profit participation scheme.

Apply with curriculum vitae to:
The Financial Director
COMMODITIES RESEARCH UNIT LIMITED
31 Mount Pleasant, London WC1 0AD

INTERNAL AUDITOR

The Chevron Group of Companies are engaged in Europe in all major segments of the oil industry including, the exploration for, and production of crude oil, and the refining and marketing of a complete line of petroleum products.

We need a qualified accountant, or experienced auditor, to join the UK staff of our expanding European Internal Audit Team. Our company recognises the importance of a strong internal audit function and provides the prospect of a challenging career in auditing with the additional opportunity for movement into line management. The post will be based in London with some UK travel involved and possible audits overseas. The successful candidate will require the ability to deal with top management and a large degree of independence.

We offer very competitive remuneration including an attractive benefit package.

Chevron

Interested applicants should write with curriculum vitae to:
Mrs. Lynn Pendlebury,
Chevron Oil Europe Inc.,
Southside, 105 Victoria Street,
London SW1E 6QU

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director (Designate)

£100m turnover, c.£20,000 + car

A diverse industrial group with turnover about £100m wishes to appoint a Senior Financial Controller, initially to deputise for its Financial Director and later to succeed him on retirement in two years' time. The successful candidate will be a qualified accountant aged between 38 and 50 with responsible experience in industry involving financial and works accounting, budgets, forecasting, tax planning, data processing, cash management, company reports and accounts. In addition, knowledge of financial institutions and acquisitions will be an advantage. Most importantly, however, applicants must be energetic and resourceful and have the personality to occupy the top financial position in a prominent public company. The salary is negotiable and there will be a car together with BUPA membership, free life cover and contributory pension scheme. Location is a pleasant provincial city in Southern England.

Please forward own CV direct to Hoggett Bowers who will forward all applications to the clients. Please indicate any companies to whom you do not wish to be identified. *J.H.E. Davies, Ref: 37274/FT.* 01-734 6852, *Sutherland House, 5/6 Argyll Street,* LONDON, *W1E 6EZ.*

Financial Director

Circa £25,000

Based in London and part of the Imperial Brewing & Leisure Divisions of Imperial Group Limited, Saccone & Speed Limited has recently extended its operations in branding, wholesaling and retailing of wines and spirits to include confectionery, tobacco and newspaper retailing.

Following the promotion within the group of the current jobholder, Saccone & Speed is now seeking to appoint a successor who will make a positive contribution to the growth of the business.

Reporting to the Deputy Chairman & Managing Director, the successful applicant will be responsible for the finance and accounting function, with particular emphasis on the further development of management information systems, budgetary control and business planning.

The position calls for a qualified accountant, preferably a graduate, with extensive commercial experience and a proven record of business achievement. Aged 32-45 the successful candidate will have a positive personality and be a self-starter with a highly developed ability to initiate and implement decisions.

The remuneration package will include a car and other attractive benefits. Assistance will be given with housing relocation if appropriate.

Please apply with full C.V. to:

SACCONE & SPEED
Mr. J. Shaw, Personnel Development Manager,
Anchor Terrace, Southwark Bridge, London SE1 9HS.

Group Development Accountant

c£13,000 plus car

HP Bulmer Holdings has achieved rapid growth and expansion during the past decade and plans to maintain this growth in the future through the pursuit of new development opportunities.

For the career minded qualified accountant this is an excellent time to join this successful company which is a leader in its product fields.

Applicants should be in the 25-35 age bracket, with two or more years post qualification experience gained in a medium/large industrial or commercial environment.

Specific tasks will include the co-ordination of group financial planning, evaluation of development projects and advising on potential business opportunities.

Conditions of employment are excellent and include: financial assistance with relocation expenses to this attractive part of the country; participation in group profit sharing scheme plus other 'large company' benefits.

Please write, giving comprehensive details of your career progression to date, to:- Brian Carver, Commercial Director, HP Bulmer Holdings, plc., The Cider Mills, Plough Lane, Hereford, HR4 0LE.

Bulmers' Cider and a lot more besides

FINANCIAL CONTROLLER

Hertfordshire
Office Products - Market Leader

The Company based in Hertfordshire is a market leader manufacturing and supplying a range of branded stock and bespoke products to the office-market. There are production and distribution facilities in other locations in the UK. The Company is a member of a major UK Group which has widespread interests overseas.

As a member of the small management team the Financial Controller will provide advice and information on all financial, business and commercial matters and will contribute to important management decisions. This broad involvement in all areas of the company's business is stressed and is in addition to the acceptance of full responsibility for the financial and cash accounting and control systems. The Financial Controller will report to the Managing Director.

The person selected to fill this position will be a qualified accountant with a strong commercial awareness, together with an ability to make and communicate balanced judgements and to lead the financial team. Whilst age is not a critical factor, the preference is for a person in their thirties.

Salary and other conditions of employment will be in keeping with the responsibilities of the job.

Please apply with full career and other details to:
Box A7794, Financial Times, 10 Cannon Street, EC4P 4BY

NEW CAREER OPPORTUNITY
Corporate Finance/Stockbroking

We are a medium-sized city-based firm currently recruiting newly-qualified A.C.A.s who are interested in embarking on a career in the financial world.

Candidates must have a first time exam record, preferably from a large or medium-sized firm of accountants, be articulate, ambitious and have a genuine interest in finance. Knowledge or experience in these fileds would be a definite advantage, although in these fields would be a definite advantage, although specific training is given.

Accountancy People are advising us on this appointment, for further details, please contact Janet Chilvers on 01-836 8411.
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The Packaging and Labelling Corporation of B.P.C.C. wish to recruit two Financial Directors—one for each of its label printing companies, Jas. Broadley Limited and B. Taylor and Co. Ltd.

The successful applicants will:

★ Be qualified accountants aged 26+;
★ Hold senior financial management positions or be chief accountants in a manufacturing or commercial operation;
★ Have sound experience and considerable ability in financial and management accounting.
★ Be capable and decisive managers.

These interesting and challenging directorships attract competitive salaries and appropriate benefits.

Please respond in writing, with curriculum vitae, to:—

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Managing Director	Managing Director
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Member of the British Printing and Communication Corporation P.L.C.

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ACCOUNTANT REQUIRED

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Applicant must have adequate professional qualification and wide experience of commercial banking in Africa and the Middle East including all aspects of the finance of international trade, including documentary credits. Fluent English and Arabic essential. French advantageous. Salary negotiable according to age and experience.

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LONDON
c. £12,000 plus Car

GROUP FINANCIAL ACCOUNTANT

THE GROUP The Ellerman Group, which is based in the City is a major British Company with interests in Shipping, Transport, Travel and Brewing.

THE JOB Reporting to the Group Financial Controller, the Group Financial Accountant will be responsible for the preparation and production of the year end accounts for the Group. He/she will also be involved in discussions with the Divisions on accounting practices, standards, and on the implications of new developments in the technical accounting area. He/she will also be responsible for providing an accounting service to the various H.O. departments. Significant advances are also being made in computerisation, and the successful candidate will be expected to play a major role in these developments.

THE PERSON The successful applicant will be a qualified chartered accountant with 2-5 years post qualification experience. Whilst some experience in commerce would be preferable, this position would be an ideal introduction to industry for someone currently employed in the profession. Age range 25-30.

Candidates should apply to:
Mrs. Pauline Wyatt-Ingram
Head Office Personnel Manager
Ellerman Lines Limited
12-20 Camomile Street
London EC3A 7EX

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Applicants should contact **ROGER TIPPLE** or **NICHOLAS WATERWORTH** on **01 242 0965** or write in strictest confidence to Banking and Finance Division, Michael Page Partnership, 31, Southampton Row, London WC1B 5HY.

Initial contact will give the opportunity for informal discussion within or outside normal business hours.

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London Birmingham Manchester

JOBS COLUMN

How universities 'add value' to students

BY MICHAEL DIXON

"IT'S HARD to know whether you're making silk purses out of sows' ears, or sows' ears out of silk purses, or not making much difference either way."

Since hearing that lament from a university vice-chancellor more than a year ago, the Jobs Column has been keen to help. The accompanying table is the result. Its aim is to give a rough idea of what might be termed the value added to undergraduate students by each of the 42 universities in Britain.

Let it be understood right away that the measurement has many deficiencies (I'll outline them in a minute or two). Even so, it seems to be the only means available of independently assessing one important aspect of university education which costs the British public more than £1bn a year.

One way in which universities vary is in the so-called intellectual quality of the students they take in at the start of their undergraduate courses. Another variance lies in the relative difficulty each institution's students have in finding jobs they want to keep after they complete their degree studies.

The main aim of the table is to indicate for each university the difference between the quality of its entrants and the success—or, rather, lack of failure—of its leavers in the employment market. In that restricted but important sense, the difference reflects the value added to its undergraduate students by the institution.

It is only a relative measure, of course. The university whose students generally have the greatest worth in the jobs market is Cambridge. But since Cambridge also seems to attract the highest quality of entrants, the difference between the two factors is relatively small and so Cambridge has a low ranking in the table. Essex, on the other hand, apparently has the lowest quality of intake. But since Essex University graduates seem fairly good at getting jobs, its value-added score is the best of all.

Now to the details, and the deficiencies.

The first column after the institutions' names represents the quality of intake. This is based on the average score in the Advanced-level school-leaving examinations gained by each university's new undergraduate students in 1978. The score is worked out by counting five points for an A grade in the exams, four for a B, three for a C, two for a D and one for an E. The figures in the column show by how many points the average score among the entrants to each institution exceeded or fell short of the average score among all A-level entrants to all the universities in the same year. This national average was 9.7 points.

One deficiency here is that the A-level scores are for new entrants in 1978. The students who went in at that date are not the same people whose job-finding record is assessed in the next column of the table. They mostly entered their courses in 1977. But I have been unable to obtain A-level scores for that year, and a comparison of each institution's score in 1978 with the scores of the two subsequent years indicates that they change only marginally over time.

Another problem is that the "quality of input" scores leave out of account entrants who have not taken Advanced levels. This particularly affects universities north of the Border, many of whose students took the Scottish higher school-leaving exams.

The A-level data, however, is the only input measure available.

The next column relates to students of United Kingdom nationality who completed their bachelor-level degree in 1980. The basis is the proportion of those whose whereabouts were known, who at December 31, 1980, were either still seeking work, in a job they expected to last at most a further three months, or not intending to be conventionally employed.

The figures in the column show by how many percentage points each university's proportion of "at best short-term employed" exceeded or fell short of an average whose value is zero. This (which I explained fully on January 21) compensates for the fact that some universities produce more graduates in highly employable subjects such as engineering than others do.

Next, by courtesy of the FT statistics department, comes the indicator of value added. First my colleagues calculated how much, in terms of standard deviations, each university's input score and output score was above or below the respective mean. They then subtracted the input result from the output result so as to show the value added. The fact that an institution's indicator is a minus quantity does not, of course, mean that it is taking silk purses and making them into sows' ears—or not necessarily so, anyway.

The final column shows how much each university's teaching was valued by the University Grants Committee, in terms of the change the UGC has stipulated in the different institutions' number of full-time students from the UK and other EEC countries.

Of the eight due to suffer cuts of more than 10 per cent, seven are in the top half of the value-added ranking. But I won't make any further comment about that; I'll leave it to universities like Aston and Salford.

		Better (+) or worse (−) than average in: A Mean advanced-level score of new entry 1978	B Job-finding score of UK graduates 1980	Indicator of relative "value added"	UGC change in student numbers 1980-84 %
Ranking					
1	Essex	− 3.4	+ 2.6	+ 2.46	− 4.0
2	Aston	− 2.5	+ 3.1	+ 2.03	−22.0
3	Brunel	− 2.6	+ 2.1	+ 1.85	+ 0.4
4	Dundee	− 1.5	+ 4.4	+ 1.73	− 0.4
5	Salford	− 2.9	+ 0.4	+ 1.61	−30.0
6	City	− 1.3	+ 4.1	+ 1.53	− 5.0
7	Glasgow	− 0.5	+ 5.8	+ 1.46	− 3.0
8	Strathclyde	− 2.0	+ 1.4	+ 1.31	− 4.0
9	Newcastle	− 1.1	+ 2.2	+ 0.94	− 4.0
10	Heriot Watt	− 1.0	+ 2.0	+ 0.84	−13.0
11	Surrey	− 1.5	+ 0.7	+ 0.83	−14.0
12	Exeter	− 0.1	+ 4.1	+ 0.79	− 2.0
13	Birmingham	+ 0.6	+ 5.7	+ 0.75	+ 0.3
14	Stirling	− 1.9	− 0.6	+ 0.75	−18.0
15	Bradford	− 1.8	− 0.6	+ 0.69	−19.0
16	East Anglia	− 2.4	− 2.1	+ 0.69	− 3.0
17	Wales	− 1.9	− 1.1	+ 0.62	− 7.0
18	Bath	+ 0.8	+ 5.4	+ 0.56	+ 2.0
19	Loughbro.	− 0.6	+ 0.6	+ 0.24	− 3.0
20	Aberdeen	− 1.2	− 1.2	+ 0.17	− 4.0
21	Hull	− 1.8	− 3.6	− 0.05	−17.0
22	Liverpool	− 0.2	+ 0.4	− 0.06	− 2.0
23	Warwick	− 0.7	− 1.2	− 0.14	− 1.0
24	Leicester	− 0.5	− 1.0	− 0.21	− 3.0
25	Kent	− 1.8	− 4.7	− 0.32	− 7.0
26	London	0.0	− 1.3	− 0.59	− 3.0
27	Durham	+ 2.1	+ 3.8	− 0.63	− 4.0
28	Leeds	0.0	− 1.5	− 0.65	− 2.0
29	Manchester	+ 0.4	− 0.5	− 0.65	+ 0.2
30	Nottingham	+ 0.6	− 0.2	− 0.70	− 4.0
31	Lancaster	− 1.2	− 5.3	− 0.84	− 7.0
32	Cambridge	+ 3.9	+ 7.2	− 0.92	− 2.0
33	Keele	− 2.7	−10.1	− 1.09	−17.0
34	Sheffield	+ 0.3	− 2.7	− 1.12	same
35	Southmptn.	+ 1.1	− 0.9	− 1.19	− 0.5
36	Oxford	+ 3.4	+ 4.7	− 1.22	− 3.0
37	Edinburgh	+ 1.0	− 2.1	− 1.41	+ 0.1
38	St Andrews	+ 0.8	− 2.8	− 1.45	− 7.0
39	Reading	+ 0.1	− 4.9	− 1.54	− 5.0
40	Bristol	+ 2.4	+ 0.8	− 1.56	− 4.0
41	York	+ 0.5	− 5.9	− 2.03	− 0.3
42	Sussex	− 0.3	−13.0	− 3.28	− 5.0

International Banking

Business Development Manager

We are an expanding international bank looking for a manager in London to develop the UK private client market.

The task will be to create a UK banking business complementary to our substantial existing London-based international private clientele business. Candidates should have experience in marketing financial services to individuals and professional firms and should have the level of capabilities associated with a rising merchant banker or a manager of a main branch of a commercial bank or building society.

The successful candidate will already have achieved considerable responsibility but will be looking for the opportunity to assume direct personal responsibility for marketing, managing, innovation and profitability in an expansionary environment.

Salary negotiable plus fringe benefits

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TRADE DEVELOPMENT BANK
21 Aldermanbury, London EC2P 2BY

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An opportunity has arisen for a qualified accountant to join a professional North American financial institution. Duties within a regional area would include consolidation of accounts, standardisation, computerisation and some project and long range forecasting work. The successful applicant will be solely responsible for all duties performed and report to the Financial Controller. Age 26/34.

Please contact: Paul Trumble

FX DEALER Salary negotiable

To join North American bank as No. 2, requirements are a mature approach and attitude with the willingness and ability to train others. Dealing emphasis on the $/£ spot and forward. Age early 30's

Please contact: Paul Trumble

LOAN ADMINISTRATION Salary negotiable

Leading international bank seek a banker with good experience of loan administration. This must include day-to-day activities (drawdowns, rollovers etc). and also Lead Manager experience, conditions precedent and some documentation. Applicants must be either fluent in German or French and be in their early twenties.

Please contact: Brian Gooch or Diana Warner

ACCOUNT OFFICER c£10,500

The London Branch of a European Bank which aims to offer a high standard of banking services to individual and commercial clients wishes to appoint an Account Officer. Duties will include account servicing in all its aspects, including lending: He/she will have the responsibility for the management of a section of the bank's U.K. clients. The successful applicant will probably be aged under 30 with a number of years in commercial banking including the negotiation and control of lending.

Please contact: Richard Meredith

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

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Save & Prosper Group is Britain's leading Unit Trust group and also has a full range of insurance and pension products and offshore funds. We have been retained to help them find a key executive for their Investment Services Team – currently numbering three – which liaises with Stockbrokers and certain other Investments Advisers in London and throughout the UK. The person appointed will work primarily in the City but will also have a brief for certain brokers outside London.

This is a most exciting role for a stockbroker who wishes to break away from the traditional private client career pattern and develop his/her skills across a broader-client range in a highly professional atmosphere. A sound knowledge of modern portfolio management and the many vehicles now available to the investing public is essential. The ability to communicate effectively is of key importance as is a proven and established track record. Preferred age 30-45.

A generous remuneration package is proposed totalling c £20,000, including a company car, non-contributory pension scheme and performance related bonus.

Please contact, in the strictest confidence, the Company's adviser in this matter, Colin Barry, at Overton Shirley and Barry, (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSB

Corporate Planning Assistant

The Director of Corporate Planning of a multinational Group with activities in metal trading, smelting, diversified manufacturing and service industries now requires a third experienced Corporate Planning Assistant.

Suitable candidates will be in the age range 30-35 with a resource related first degree, preferably in metals orientated Geology or Mining Engineering, and an MBA from a prominent school. Experience will include some years in a natural resources corporation involved in business or project planning related to new ventures, and possibly in marketing. A second language would be preferred, with the priority order German, Spanish or French.

The position is City based and will carry an attractive salary and benefits package, with relocation assistance where necessary.

Applications with full details of education, experience and present salary should be sent to the Group Personnel Manager, Amalgamated Metal Corporation Limited, Adelaide House, London Bridge, London EC4R 9DT.

AMC Amalgamated Metal Corporation

Managing Director

ENGINEERING

Midlands *£20,000+*

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Benefits include car, pension scheme, and relocation expenses. Base is a pleasant area of the Midlands.

Men and women are invited to write in confidence giving career details, age and current salary. Please include your telephone number and quote 4176/FT on envelope and letter.

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Baylis House, Stoke Poges Lane, Slough SL1 3PF

A unique opportunity for young Financial Executives

to join a leading financial group in London

Finance for Industry plc is expanding and developing its head office unit which deals with development finance for large companies, mostly public, in the United Kingdom.

As a result, two interesting opportunities have arisen for young qualified accountants to join the small teams of Senior Executives within the unit. Each team is responsible for:
- Actively promoting the services of FFI in the City and elsewhere;
- Appraising potential investments which will include both loan and equity;
- Negotiating the appropriate terms for these complex transactions;
- Dealing with the subsequent documentation.

The successful applicants will be graduate Chartered Accountants, with good technical skills and some experience gained in a merchant bank or the profession.

Career advancement will depend on evidence of sound business judgement and the necessary personal standing to participate in high level negotiations with principals of large companies and their professional advisers.

Initial salaries will be very competitive, and the generous benefits include a car and others commensurate with the financial sector.

FFI

Please write giving full details of experience, salary and career to date to:
Mrs. J. A. Bittlestone, Personnel Manager, FFI Divisions
Finance for Industry plc,
91 Waterloo Road, LONDON SE1 8XP. Tel: 01-928 7822.

FINANCIAL DIRECTOR

required for an old-established and renowned business, with high growth opportunities well exceeding present turnover of £8m in Home Counties, easy reach of London. Must be a qualified accountant and willing to invest so as to take up a fair proportion of the equity on a share option basis, to ensure interest and participate in eventual public flotation of company.

Appointment to Board will carry responsibility, supervising present management of the entire finance and accounting functions, implementation of present computer systems, with emphasis on ensuring more efficient use of company's resources through soundly-based financial planning and control and playing a major part in all operating decisions.

Excellent opportunity of a stimulating and rewarding top appointment at salary circa £18,000 + car and all the usual benefits. Help with relocation if required.

Please reply in complete confidence, giving concise career and personal details and amount of investment envisaged to:
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London representative for Australian merchant bank

We are looking for an individual who has recently retired or is about to retire from a senior position in banking, merchant banking or an accepting house and who is well known in the City, where he/she will represent an Australian merchant bank of very strong parentage.

Interviews will be conducted in London in early April.

Résumés including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B036.

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Shelley House Noble Street London EC2V 7DQ

Insurance Finance Marketing Officer

The Chase Manhattan Bank, one of the largest US banks based in London, is expanding its range of commercial banking activities with the insurance industry and is anxious to appoint an additional marketing officer in this field. The position would be of interest to an individual with US bank credit training who has knowledge of the full range of loan and non-loan bank products, and experience of marketing these either to commercial or financial institutions.

This is a new appointment and offers considerable scope and opportunity of development for an individual with technical expertise, ideas and the motivation to develop this important sector in the framework of this bank's overall product marketing strategy.

A competitive salary will be supported by the wide range of benefits you would normally expect from a major international bank.

Please write with a comprehensive C.V. to: Rosemary Swift, The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

This position is open to both men and women.

CHASE

NPA

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60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

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Equities — **c.£13,500**

The British arm of this major international life insurance company manages funds in the region of £150m, and cash inflow is growing significantly. Initially, the role will involve decision making with regard to equity selection and sector views, as well as the general disposition of two mixed asset funds under the aegis of the Investment Director. There will be substantial contact with companies and the brokers. Suitable candidates in the late 20s would have three to five years' experience in equity analysis, portfolio management or in a stockbroking environment, and should possess a degree or other professional qualification. They must have a good economic understanding, and be able to propose and appraise orthodox and novel contributions to investment strategy, within a congenial and stimulating team. Base in Central London. Salary negotiable at the level indicated, with car advantageous mortgage schemes provided.

Write for an application form or send brief CV to the address below, *quoting ref: GM26/7930/FT on both letter and envelope,* and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants. Men and women may apply.

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Assistant Comptroller-GLC
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The postholder is directly responsible to Maurice Stonefrost in his capacity as Chief Financial Officer to the ILEA for all matters connected with the Authority's finances.

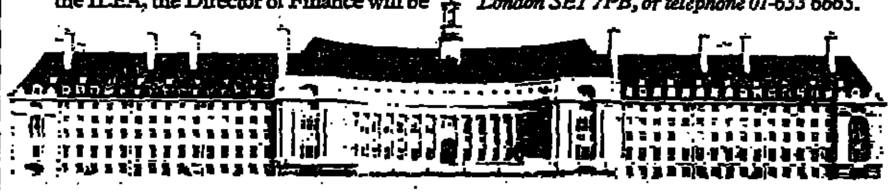
Heading a branch of 20, the Director of Finance has wide-ranging responsibilities encompassing the preparation and presentation of annual estimates and the Authority's budget as a whole; monitoring and accounting for expenditure; and the provision of financial advice to the Authority and its six sub-committees.

Holding the rank of Assistant Comptroller in the GLC and seconded to the ILEA, the Director of Finance will be a full member of the Finance Management Team which sets the standards for financial management and administration for the Council and the Authority.

Professional qualifications and extensive experience of finance within a large authoriy are therefore prerequisite, as is the proven ability to communicate effectively with Members, education specialists and professional teaching personnel at all levels.

The Salary will be within the range indicated and includes a London Weighting Allowance of £1,104.

Further details and an application form, to be returned by 14th April, may be obtained from: Senior Officer Appointments, MP/FT, Room 334a, Greater London Council, The County Hall, London SE1 7PB, or telephone 01-633 6665.



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Applicants should be between 35 to 45 years of age and must be capable of establishing and running a Bullion Broking House for an international metal trading company based in London.

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£23,000 p.a. basic + bonus

Major American Bank seeks two Sales Executives, preferably with an established client base, to market their Eurobond and Fixed Interest Securities services on their behalf. The ideal applicant will have some relevant experience and be in his/her mid 20's with a positive outlook and personable, articulate manner.

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A major City based international bank requires an experienced straights trader to run a book for them in Yen. Age preferred mid 20's with at least 2 years' trading experience. A similar bank, offering an equally competitive salary would like to meet a trader with experience of [illegible].

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A self-motivated young sales executive is required to market short term production and commodities reports on a strategic levels on behalf of an international research organisation based in London. The Company have a substantial client base but would encourage the expansion of its new business through the newly appointed associate. Ideally, the successful applicant will have both a research related background as well as coverage of the physical commodity environment.

In addition to these positions, we have a variety of positions in Eurobonds offering realistic career opportunities with major market leaders. All enquiries will be treated with discretion. For further details of these positions, please telephone Paul Boucher on the number below or 01-743 9991 evenings/weekends.

CHARTERHOUSE APPOINTMENTS 01-481 3188

Europe House, World Trade Centre, London E1

Solicitor
Located in London

The Bank of Scotland is seeking a solicitor with an English Legal qualification to be Manager of its Law Department in London. Candidates should be in the age group 30-40 and should have at least 5 years' post qualifying experience gained either in commercial private practice or industry.

The London Law Department provides a wide range of legal services for the Bank's operations in England including both its Domestic and International activities. Applicants must be fully conversant with the preparation, instruction and recording of loan documentation and all forms of security for advances. They should also be familiar with bankruptcy work and an essential requirement of this position is the provision of advice to the Senior Executive in matters of receivership and liquidation.

This is a particularly interesting and demanding role with considerable scope for personal development within the Bank's Executive Management. An attractive salary will be offered together with excellent fringe benefits, including a preferential mortgage scheme and non-contributory pension.

Candidates are invited to submit their applications accompanied by a detailed curriculum vitae to: **The Secretary, Bank of Scotland, Head Office, The Mound, Edinburgh, EH1 1YZ.**

BANK OF SCOTLAND

Treasurer

Middlesex — *c.£17,500+car etc.*

Our client, is a well known large and expanding organisation in the rapidly growing data processing and information industry. The UK subsidiary wish to recruit a competent and ambitious Chartered Accountant for the position of Treasurer due to the promotion of the present holder.

Reporting to the UK Controller, the Treasurer will be responsible for the effective management of company funds and corporate taxation. It is assumed that the successful applicant will be able to contribute to the development of the company's overall financial policy.

Candidates for this appointment, male or female, aged 28 to 40 must have positive personalities and the ability to work with the minimum of supervision. They must also be able to demonstrate a high degree of motivation and be capable of liaising effectively with our client's associates and staff alike. This position is well suited to an accountant wishing to leave the profession as well as those already in commerce with relevant experience.

Commencing remuneration will be c£17,500 together with a car and other benefits.

Candidates can make application by quoting reference MCS/7056 to Michael R Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

DRI DRI Europe, Ltd.

Data Resources requires:

INDUSTRIAL ANALYST/ECONOMIST

To participate in the production of regular analyses and forecasts of the world automobile industry, as part of a team of highly qualified economists and industry analysts.

Necessary qualifications are a strong degree in economics and well developed quantitative skills. Desirable attributes are industrial experience, particularly in the automotive sector, a second European language, and the potential to relate to corporate clients at a high level.

Initial salary is likely to be very competitive. Since the position is in a high growth area of Data Resources (the world's largest and most successful forecasting organisation) possibilities for rapid career development are excellent.

The position offers forecasting and information facilities which are probably unequalled; huge and timely databases, specialised software, ample computer resources, and support from experienced forecasters. There is, therefore, a substantial opportunity for personal and professional development.

Please reply in confidence to:

Miss Alice Barker
DRI EUROPE LTD.
30 Old Queen Street
London SW1H 9HP

International Merchant Bankers

A leading City-based merchant bank is seeking dynamic bankers, preferred age 25-32, to work in its International Corporate Finance Department and assist in the development and marketing of advanced financial services.

The successful candidates will be expected to report at Board level and to have extensive client contact. There will be considerable scope for personal career development.

The right temperament and aptitudes will be more important than the precise nature of previous experience, but it would be helpful if this included 2-4 years' involvement in the solicitation and preparation of issues of securities, long-dated currency exchanges or financial advisory work. Experience in financial analysis, and a background in law or accountancy would be advantageous.

Remuneration, which is open to negotiation, will not prove to be an obstacle to the right candidates, and other benefits will be commensurate with those of leading financial institutions.

Applicants should forward a full CV, listing separately those companies to whom their details should not be sent and quoting ref. 1769 on their envelope. All letters will be sent directly to our client.

Charles Barker

RECRUITMENT ADVERTISING SERVICES

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Investment Development Executive

Welsh Development Agency

The role of the Welsh Development Agency is to encourage industrial and commercial developments in Wales. A major function is providing capital in support of existing and new ventures. The Agency plans to increase this activity.

The post is a new one in the Agency's Investment Department. Its purpose will be to seek out, foster and develop investment opportunities for the benefit of Wales. Projects will be taken to the stage where they are acceptable for full appraisal but not to the point of investment decisions.

Candidates must have a broad business background which includes considerable experience in investment and marketing.

Salary £16-18,000 plus benefits including relocation expenses. Location, at the Agency's headquarters near Cardiff.

Please write or call for an application form, quoting reference 1289/C, to David Thompson who is advising on this appointment.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St.
London W1X 3TD 01-499 8811

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Several years' experience in active spot dealing in a London Bank is essential. Good salary and prospects offered with the usual fringe benefits.

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Mr. J. T. Cannon,
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BANKING

ACCOUNTANT — c. £13,000

Responsibility is for operational accounting and systems development in a City international bank in its formative stages. Must be a doer, not just a delegator.

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An opportunity for a banker who has moved up through the operational ranks into credit to build upon his/her experience with a major European bank.

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Experienced and qualified bank auditor required to take responsibility for complete programme — involving operational and systems checks, special projects.

Please telephone Ann Costello or John Chiverton A.I.B.

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University of London

THE LONDON SCHOOL OF ECONOMICS

LECTURESHIP IN THE DEPARTMENT OF ACCOUNTING AND FINANCE

Applications are invited for appointment from 1 October 1982, to a Lectureship in the Department of Accounting and Finance. Candidates should possess a good degree in a relevant area and/or a professional accountancy qualification. Applications are particularly encouraged from candidates who have specialised, or are interested in specialising, in one or more of the following areas: management information systems, finance, organisational behaviour, and auditing. However, candidates with other specialisations will also be considered.

Appointment will be on the salary scale for lecturers of £6,070 to £12,860 a year plus £1,035 a year London Allowance. In assessing the starting salary, consideration will be given to qualifications, age and experience.

Application forms and further particulars are available, on receipt of a stamped, addressed envelope, from the Assistant Secretary (Academic), Room H610, The London School of Economics, Houghton Street, London WC2A 2AE. Closing date for applications: 30 April 1982.

Management Consultant
£18,000 plus

John Forbes-Dale Ltd. are a small Corporate Consultancy which, due to a high level of professionalism, are expanding rapidly.

Another consultant is now required who must be capable of putting forward complex proposals to senior management and investment executives in a manner that is clear and concise. It is essential that applicants should be highly presentable, aged over 30, with a first-class record of achievement within industry, and preferably MBA or FCA status. They must also be ready and able to travel throughout the UK.

Please telephone John Forbes-Dale on 01-948 4612 or write, enclosing complete career details, to John Forbes-Dale Ltd., 16 Halford Road, Richmond, Surrey TW10 6AP.

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City licensed deposit-taking institution, wholly owned subsidiary of foreign commercial bank, seeks experienced Money Dealer to develop its sterling and currency book. Excellent opportunity for executive to grow with a small, dynamic team. Salary negotiable, together with benefits package.

Write Managing Director Box A.7806, Financial Times, 10 Cannon Street, EC4P 4BY

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COMMODITIES

An expanding international commodity trading company specialising in softs, seeks to appoint a qualified accountant with experience in commodity trading. Location: City. Competitive package negotiable.

Curriculum vitae please to Box A.7810 Financial Times, 10 Cannon Street, EC4P 4BY

MANAGING DIRECTOR

Due to retirement, national fast food operation seeks a Managing Director. Based at our superb offices at Christchurch, the entrepreneur would be capable of implementing a very exciting national development programme in liaison with a small Board of Directors.

Please submit curriculum vitae to Mr. W. H. Tanner, Dolphin House, 2 Wick Lane, Christchurch, Dorset

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WANTED
PART-TIME ASSISTANT

to company secretary of expanding public company based in North London. Applicants must have detailed and current knowledge of statutory and Stock Exchange requirements. The position might suit a recently retired company secretary. Salary and terms by negotiation.

Please write Box A.7808, Financial Times, 10 Cannon Street, EC4P 4BY

ASSISTANT MANAGER REQUIRED

For newly-formed Finance Company in London W.1

Applicant must have a Bachelor of Commerce Degree and a wide experience of commercial banking in Africa and the Middle East including credit analysis and control and negotiating with customers. Fluent English and Arabic is essential, French advantageous. Salary negotiable according to age and experience.

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have a vacancy for a SENIOR NEGOTIATOR to sell hotels in the capital. Age 25-40, experience preferred. Salary and bonuses, company car and pension scheme.

Write Managing Director Box A.7827, Financial Times, 10 Cannon Street, EC4P 4BY

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Manager, International Investment Portfolio

Atlantic Richfield Company's growing pension fund investments have created a new expansion opening for an experienced international money manager.

If qualified to manage this sizeable portfolio supplementing our internally managed domestic operations, you will be located at our corporate headquarters in Los Angeles. Your credentials must include at least five years experience in managing or guiding an institutional portfolio concentrating on investments in the Pacific Basin area. You should have current relationships with investment brokers and financial institutions in Japan, Australia, Hong Kong, Singapore, etc.

It is probable that you will have a degree in Finance or Economics. Japanese language capability is preferred. Demonstrated ability to represent our pension plan activities effectively in international investment management circles is essential.

The position will have a minimum annual salary of $60,000. Higher compensation may be possible depending upon qualifications.

Investigate the scope, comprehensive benefits, and superior visibility of this position without delay. Please send your fully confidential resume and earnings history to: B. E. Jeffries, ARCO Oil Producing, Inc., Collier House, 3rd Floor, 163/169 Brompton Road, London SW3 1PZ, England.

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bmb

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a Netherlands-based international management consulting firm wishes to expand its staff of

BANKERS

specializing in development and/or commercial banking for long-term assignments in developing countries.

Candidates should have:
- senior management experience
- professional banking qualifications
- all-round banking experience (minimum ten years)
- experience in developing countries (minimum five years)
- fluency in English and/or French.

Experience in management consulting would be an advantage.

If interested, please write, giving full details of qualifications and experience, to:

BMB, Management Consulting for Development B.V.
P.O. Box 1 5000 AA TILBURG Tel. Holland (0)13 - 360084

INTERNATIONAL BANK
PARIS
seeks
EXPERIENCED FOREIGN EXCHANGE DEALER

with a minimum of three years' experience of Exchange Markets, Dollars, Deutsche Marks, Pounds plus Dollars.

A perfect command of German together with a good knowledge of French and English is essential. *Please send curriculum vitae and salary requirements to:*

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10 Cannon Street, EC4P 4BY

PERSONAL ASSISTANT
SAUDI ARABIA

Our client is a Saudi Arabian businessman with interests both in Saudi and UK. He now wishes to appoint a P.A. based in Jeddah, who will look after his day-to-day affairs and also analyse investment options.
An accountancy or banking background would be appropriate.
Salary and conditions by negotiation.
Please apply in writing to Mr. P. Alexander.

SKYBRIDGE
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23 Russell Street
Reading Berkshire RG1 7XD

COMMERCIAL MANAGER

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FIVE FIGURE REMUNERATION PLUS CAR

We are looking for a dynamic business executive (generalist) to assume complete responsibilities for the direction of all our company's commercial activities.

Our company provides comprehensive representation and marketing services of continental machinery suppliers to well-established British industrial customers.

Applicants should be fluent in German with some knowledge of French.

Candidates, probably in their late 20's or early 30's will have at least 3 years relevant experience in international machinery trading.

Salary, car and additional benefits for discussion. They will fully reflect the importance of the post and the growth potential of the selected candidate.

Applications should be made in writing, together with full c.v. to Box A7804, Financial Times, 10 Cannon Street, EC4P 4BY

CanadaWesternBank

requires a

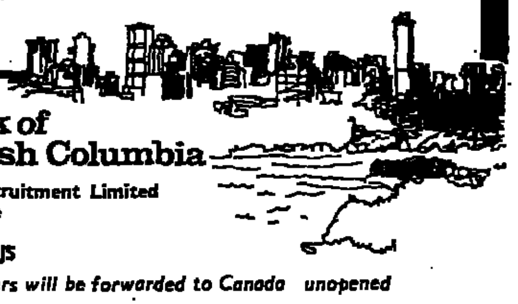
MONEY MARKET FOREIGN EXCHANGE DEALER
Hong Kong

Our expansion in the International Banking area has created this new position located in Hong Kong, reporting directly to the Vice-President and Managing Director. You will contribute significantly to the Bank's international operation by ensuring sound money management services to existing clientele, as well as developing new sources of Money Market and Foreign Exchange business.

The successful candidate will possess three-five years' experience in a senior money market role and will also have had a good working knowledge of foreign exchange. The appropriate academic background will also be an asset and you will be up to date on foreign exchange and domestic trade. You will be able to relate your knowledge effectively to both short- and long-term investment in money markets and will be comfortable in the business development role. Your previous work experience will provide you with an excellent understanding of this market place and enable you to effectively promote the advantages of the Bank of British Columbia.

We offer an up-to-date compensation package which includes substantial salary and relocation expenses. If you possess the above skills and are looking for a new and exciting challenge in this prestigious setting, please submit your résumé to:

Mr. D. L. Simpson
Manager, Human Resources



Bank of British Columbia

c/o Whites Recruitment Limited
Chronicle House
72 Fleet Street
London, EC4Y 1JS

Letters will be forwarded to Canada unopened

INTERNATIONAL BANK HEAD OFFICE PARIS

SEEKS

EXPERIENCED FOREIGN EXCHANGE DEALERS

LOCATION: PARIS and ABROAD

Send C.V. and salary requirements under ref. 8598 to:—

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who will forward.

Bonds Management Specialist in Paris

One of the largest French banking Groups, which is internationally orientated, seeks to expand its bonds management department.

You have 2 to 4 years experience in bond management and wish to gain a further expertise before *moving into the world of finance.*

In this profession, as you well know, technique alone is not enough. Indeed, the most rigorous actuary is not necessarily the best performer, nor does the best analyst make the best decision-maker. Your role will be both in an advisory and managerial capacity. You should be well versed in world affairs and have good analytical skills in order to synthesize all relevant data. So we will pay special attention to your personal profile.

Moreover, whilst your background of higher education is not important, whether it be Economics, Sciences, Management or Actuarial Studies fluency in English and French is essential.

Please write in total confidence, without delay, giving full personal and career details and quoting reference 825 681FT to Cabinet Sirca.

Sirca
64, rue La Boétie - 75008 PARIS

MEMBRE DE SYNTEC

JOURNEES

INVESTMENT OFFICER

An International Organization seeks an Investment Officer for its Headquarters in New York to manage a portfolio of $400 million held in 25 currencies. Applications are invited from individuals possessing a postgraduate degree in finance, economics, accounting or equivalent business experience, as well as at least five years work experience, of which a minimum of three years should be international banking, currency trading, or market operations.

Annual salary and allowances from US$36,000 to US$59,000 depending on experience. Initial contract duration two years.

Applications should be addressed to Box A7813 Financial Times, 10 Cannon Street, EC4P 4BY

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Aramco is the principal concessionaire for Saudi Arabia's oil fields, and as such is the largest oil-producer in the world. *Its headquarters, at Dhahran in the Eastern Province,* controls business activities on a truly vast scale.

The work of the Finance Organisation is thus highly responsible, and brings you a challenge you *could find nowhere else.* Your professional skills will be fully stretched and thoroughly appreciated – as well as highly rewarded.

We are now looking for qualified accountants (ACA, ACCA or ACMA), preferably *with a degree, with at least three years experience.*

INTERNAL AUDITORS

Our Internal Audit Group requires Auditors and Accountants with some experience in the audit function to review activities such as construction projects, producing and terminaling operations and accounting and administrative controls in all aspects of the company's activities. Exposure in your current situation to oil and gas activities and construction projects would be advantageous. (Ref: AOC/105/A)

CONTRACTS REVIEW AND COST COMPLIANCE

We require candidates with a background in construction and contract auditing or administration, experienced with International Petroleum Engineering, Construction, Manufacturing or Infrastructure Development organisations. Appropriate professional qualifications and experience are essential, as is the ability to work with a project team with contractors.
(Ref: AOC/105/B)

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The need is for persons with Accounting educations and experience in EDP systems Analysis and Programming. We are looking for persons with the ability to represent finance with EDP in day-to-day operational situations, but more importantly to participate in the development of new systems to meet our changing and growing requirements. The ability to prepare articulate reports to both EDP and User organisations is a must. Familiarity with IBM 370 and 3033 systems would be useful as would experience with Cobol, PL-1 or Mark IV.
(Ref: AOC/105/C)

WHAT WE OFFER

We doubt that you could find another company that takes such good care of you. Salaries are from £14,000-£20,000, after tax, plus overseas cost allowance currently not less than £3,000.

These positions are initially on bachelor status although *married status may be available after 12 months.* The employment package also includes low-cost air-conditioned accommodation, free medical care, generous leave with company-paid flights and superb recreational facilities.
Interviews will be held in London in late April.
Telephone 01-831 6481 *immediately for an application form,* or write, enclosing a detailed c.v. to

Steven James, Dept AOC/105/FT.
Aramco Overseas Company (UK),
Sheridan House, 17 St. Anns Road, Harrow, Middlesex, HA1 1YN.

ARAMCO

Papua New Guinea
Projects Accountant

It is barely 28 years since the first European ventured into the highlands of Papua New Guinea. A fascinating and challenging place, the province of Enga has instigated a comprehensive programme of industrial and community projects to develop its commercial and administrative infrastructure.

An accountant is required to establish financial control over the funds provided by the national and provincial governments for the province's development projects. Reporting to the projects co-ordinator, the work will include the supervision of all financial procedures and the enhancement of budgeting and management information systems.

The requirement is for a qualified accountant with experience of project accounting and the development of financial systems and controls.

Remuneration: around £15,000 plus free housing, relocation and other overseas benefits, with an initial contract of two or three years.

Please write in the first instance to CT Garcia (Ref 829F). All replies will be forwarded direct to our client.

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX **TML**

INTERNATIONAL APPOINTMENTS

Rate £29.00
Per Single Column Centimetre

Schlumberger

Management Accountant
—Paris

Multinational oilfield service company seeks a young *French-speaking accountant (ACMA or ACA),* preferably a graduate with high potential for an international career starting in Paris.

The initial assignment (one to two years) will be associated with costing and management accounting related to new generations of high technology tools before and during series production. Some experience after qualifying and/or additional languages besides fluency in *French (particularly Spanish or* Portuguese) would be positive factors.

Career prospects are real for an internationally mobile individual. Vacation and benefits including relocation are attractive. Initial salary is flexible but would be competitive. A Common Market passport would normally be required to work in France.

For further information call A. Geoghegan, Controller at Paris (33) 1-630-21-85, or send c.v. to E. P. Schlumberger, 26 Rue de la Cavee, F-92142, Clamart, France.

SALES

EUROPEAN SALES MANAGER

PRENTICE CORPORATION, located in the high technology area of "Silicon Valley", California, USA, is a high growth designer and manufacturer of data communications equipment — modems, line drivers and multiplexers. We are presently looking for a highly motivated individual to take full charge of our European sales efforts.

Responsibilities include establishing and managing a sales office in Holland or England, selecting and directing European Distributors, and participating in the budgeting, forecasting, and strategic sales planning functions.

Candidates should have 10 years of sales experience, experience with the technical and application aspects of data communication products, and excellent command of the English language. We would prefer a University degree.

PRENTICE offers an attractive salary and a comprehensive benefits package. We will be interviewing qualified candidates in Europe in April. If you are the person we are seeking, please send a resume of qualifications including salary history, before March 31, 1982, to:

PRENTICE CORPORATION
266 Caspian Drive, Sunnyvale
California, 94086, USA

PRENTICE

Opportunity of considerable scope and commercial impact with substantial group...

D.P. MANAGER

Systems development and implementation emphasis

London — flexible circa £15K+car, etc.

Our client is a major (t/o £1 billion) diversified multinational group with interests in manufacturing, commodity dealing and metal and mineral trading. Taking full advantage of current technology, the group is embarking upon a major systems development programme throughout its operations.

This appointment is within the commercially important metals and minerals trading division, which operates internationally. The primary task will be to develop and implement from scratch interactive information and control systems within the division, in line with group strategy. The active nature of trading places considerable importance on information management, thus the appointee will make a significant contribution to the achievement of business objectives.

Applications are invited from D.P. professionals, (m/f), probably graduates, aged in their early to mid 30's, who can demonstrate success in the development and implementation of on-line computer systems within a corporate or trading environment. Prospects for professional development within the group are excellent.

Written applications containing career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc. at our London address quoting reference number 3616/F.T.

410 Strand FREEPOST London WC2R 0BR. Tel: 01-836 9501
26 West Nile Street FREEPOST Glasgow G1 2BR. Tel: 041-226 3101.
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

DOUGLAS LLAMBIAS — Douglas Llambias Associates Limited, Accountancy & Management Recruitment Consultants

INDEMNITY: Banking & Financial Institutions

£20,000+

The growing risk of loss from computer fraud in financial transactions, and increasing liabilities for errors in operations or advice to clients, expands the need for insurance cover availability throughout the financial sector. This major international insurance broker currently arranges insurance covers against a wide range of defalcation, political and other difficult exposures for banks, discount houses, stock exchanges, brokers and so forth, on a multinational basis. To head a new team to extend its business substantially in and from London, we seek candidates of director potential with a detailed understanding of international banking, who will advise clients and sell such coverage at senior level, after appropriate training at the City headquarters. Age ideally mid 30s – early 40s. Salary will be agreed to attract those now earning in the region of £20,000 and blue-chip benefits will be provided.

Write for an application form or send brief CV to the address below, *quoting ref: AA26/7939/FT on both letter and envelope*, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

Manager

Financial Futures Clearing Services

ICCH

Our client, International Commodities Clearing House Ltd. is a unique City company which provides a clearing and guaranteeing service to futures markets in London and overseas and has established a pre-eminent position in its field. The company is expanding its activity by providing services to the London International Financial Futures Exchange (LIFFE), which is due to open in September 1982.

This is a senior management post, reporting to a General Manager – a new appointment which offers great scope for the future. You will be responsible for the co-ordination of preparatory work leading to the opening of the market and thereafter, for the provision of an efficient clearing service. Of particular importance will be the development and supervision of procedures for delivery of financial instruments under the futures contracts.

You will have a City background, probably in stockbroking or banking, with experience in the administration of gilts and currency markets. Ideally in your 30's, you should be responsive to new ideas and able to cope with a busy environment.

An excellent salary is offered commensurate with this position. There are extremely good fringe benefits including a car, immediate mortgage subsidy, free medical insurance and a non-contributory pension. Location, City of London.

Please write in strict confidence, quoting reference 206, to D. B. Atkins as adviser to the company.

AMC Selection — Recruitment Consultants, 15 Borough High Street, London SE1 9SH. Tel: 01-403 0924

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THE JOURNAL OF EXECUTIVE RECRUITMENT

THE LONDON UNION OF YOUTH CLUBS

The LUYC invites applications for the newly created post of full-time CHIEF EXECUTIVE with responsibility for the organisation of the Union's work.

The successful candidate will be committed to the aims of the modern youth service, will lead and motivate the staff team and will liaise with statutory and voluntary organisations. Fund raising will be important to enable the Union to realise its full potential. The successful candidate will possess proven administrative skills acquired in the youth service, business, the public sector or the professions. Salary £14,000-£16,000.

Applications forms and detailed information from:- Lil Butler, LUYC, Inveresk House, 1 Aldwych, London, WC2

Closing date: 23rd April 1982.

LENDING OFFICER

New Bank to £20,000

Exciting opportunity for ambitious banker, in early 30s with good background in corporate finance.

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International Bank offers very competitive salary levels to senior dealers with proven success record.

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City £7-10,000

Experienced loans administrators sought by several client banks, offering interesting assignments and attractive remuneration packages.

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Sales/Settlements neg.

Respected merchant bank has openings for Executive, experienced in placement of bonds and other investments and competent settlements clerk in mid 20s.

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Bank Recruitment Consultants
4-6 Copthall Avenue, London EC2. Tel: 01-628 4200

EXPORT FINANCE ASST. £9,000

Person, in mid to late 20s with sound knowledge of ECGD. Duties include preparation of loan applications and reviews, processing of shipment documentation, monitoring and controlling of all systems. Must be prepared to travel if required.

CREDIT ANALYST £9,000

Go-ahead person in mid 20s with two-three years' commercial loans analysis experience required for this European Bank. Experience in business development and project finance would be an advantage.

Phone Michael Katz without delay on 01-629 7838

BARNETT BANKING 3 Albemarle St., London W.1.
(A division of Barnett Personnel Ltd.)

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Journalists with a first-class track record of at least four years in energy or specialised journalism are invited to apply for appointment to the editorial staff of Financial Times Energy Newsletters.

Write, giving full details, to
Sue Smith
Financial Times
Bracken House
10 Cannon Street
London EC4P 4BY

Company Secretary/ Accounts Supervisor

required part time

(probably one day a week) by two small private companies under same ownership, situated in West End of London. Might suit retired bank manager or similar.

Please write with c.v. to Box A.7814 Financial Times 10 Cannon Street EC4P 4BY

APPOINTMENTS WANTED

EX-CHIEF EXECUTIVE of International Engineering Group, experienced in national and international corporate finance and business law, early retired, 57, now seeks opportunity to use experience in advising companies on legal and financial matters, either as a consultant or as a non-executive director. Write Box A.7809, Financial Times, 10, Cannon Street EC4P 4BY.

54-YEAR-OLD EX-FINANCIAL DIRECTOR OF PROFITABLE COMPANY

(turnover £300m) seeks appointment (part time or full time) with smaller company. Experience includes commercial negotiations, developing business ideas, organising finance, managing takeovers and turning round failing small business. First-class referees. Consulting assignments considered. Location West Midlands. Write Box A.7806, Financial Times, 10, Cannon Street EC4P 4BY.

POSITION SOUGHT

Financial Controller, BA, FCA, aged 31, German and French speaking, experience UK and overseas seeks employment in International Banking. At present working abroad but available for interview in London 29 March-5 April.

Please phone: 02774 4825 for detailed cv and appointment

E. S. SCHWAB & CO. LIMITED

(VOLKSKAS INTERNATIONAL LIMITED)

Applications are invited for the following new positions:—

SENIOR OFFICER
To assist with the establishment of general international business activities.

EXPERIENCED SENIOR FX DEALER
To assist in the development of FX/Deposit dealing activity.

ADMINISTRATIVE OFFICER
To act as a back-up for FX dealing.

These newly created positions in the International Division are as a result of the takeover by the Volkskas Group of South Africa of E. S. Schwab & Co. Limited (name to be changed to Volkskas International Ltd.).

Salaries and other benefits will be in keeping with the importance of these posts.

Please apply in confidence, with c.v. to date, to:
The Manager, International Division
E. S. SCHWAB & CO. LTD.
Stone House, 128/140 Bishopsgate
London EC2M 4HX

COMPANY NOTICES

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDENDS ON PREFERENCE SHARES

The following dividends have been declared payable on the corporation's two series of preference shares in accordance with the terms and conditions contained in the corporation's Articles of Association:

Details	5.625% Cumulative First Preference Shares	12.375% Cumulative Redeemable Second Preference Shares
Dividend Number	1	1
In respect of period	1.1.82 to 31.3.82	1.1.82 to 30.4.82
Amount per share*	2.7740c	4.0685c
Last day to register	31.3.82	30.4.82
Registers closed	1.4.82 to 14.4.82	—
Warrants posted on or about	3.5.82	30.4.82
Currency conversion date	1.4.82	—
Shares quoted on	The Johannesburg and London Stock Exchanges	The Johannesburg Stock Exchange

* Calculated on a daily basis for respective periods

The above dividends are payable subject to conditions which can be inspected at the head and London offices of this corporation and at the office of the corporation's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 and Charter Consolidated PLC, Charter House, Park Street, Ashford, Kent TN24 8EQ.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per D. M. Davidson
Divisional Secretary

Head Office: 44 Main Street, Johannesburg 2001
London Office: 40 Holborn Viaduct, London EC1P 1AJ

24th March 1982

TAUERNAUTOBAHN AKTIENGESELLSCHAFT

US$30,000,000 8½% Guaranteed Bonds 1987

Citibank, N.A., as Principal Paying Agent, announces that Bonds for a nominal value of US$3,000,000 were purchased for the March 15, 1982 Redemption.

The principal amount outstanding after March 15, 1982, is US$30,000,000.

Citibank, N.A., London

NOTICE TO BONDHOLDERS

SAAB-SCANIA AKTIEBOLAG

U.S.$50,000,000 8¾% Bonds due 15th March, 1989

Pursuant to the terms and conditions of Bonds, notice is hereby given that during the twelve-month period beginning on 16th March, 1981, the Company has purchased US$2,500,000 principal amount of the subject Bonds in satisfaction of the Purchase Fund requirements.

As of 16th March, 1982, the principal amount of such Bonds remaining in circulation was US$37,500,000.

FOR SAAB-SCANIA AKTIEBOLAG

CITIBANK, N.A., London
25th March, 1982

KLEINWORT BENSON INTERNATIONAL FUND N.V.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 8TH APRIL 1982

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Kleinwort Benson International Fund N.V. will be held at the office of the Company, De Ruyterkade 62, Curacao, Netherlands Antilles on Thursday 8th April 1982, at 10.00 hours (local time) for the purpose of:

1. Approving the Company's Statement of Assets and Liabilities as at 31st December 1981 and its Statement of Income and Expenses for the year ended 31st December 1981;
2. Approving the declaration of a dividend payment of 40% equal to U.S. $0.40 per share;
3. Approving the transfer of $2,177,172 to Capital Reserve;
4. To ratify the appointment of Messrs. Coopers & Lybrand S.A., Geneva, as the auditors of the Company for the year ending 31st December 1982;
5. To transact such other business as may properly come before the Meeting.

Holders of bearer shares wishing to exercise their rights at the Meeting should deposit their shares with Kleinwort, Benson (Geneva) S.A., Place du Rhône 2, 1211 Geneve 11, Switzerland, or at any other bank which is acceptable to Kleinwort, Benson (Geneva) S.A., not later than 17.00 hours (local time) on 2nd April 1982, against receipt thereof, which receipt will entitle said shareholder to exercise such rights.

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares, obtained from Kleinwort, Benson (Geneva) S.A., or any other bank that is acceptable to the aforementioned bank, to Kleinwort, Benson (Geneva) S.A., Place du Rhône 2, 1211 Geneva 11, Switzerland. Holders of registered shares may also vote by proxy by means of a form of proxy, obtained and filed in the manner described in the preceding sentence. Proxies and/or certificates of deposit must be received by Kleinwort, Benson (Geneva) S.A. not later than 17.00 hours (local time) on 2nd April 1982 in order to be used at the Meeting.

Curacao,
24th March 1982.

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE CANADA-UNITED KINGDOM FREIGHT CONFERENCE

NOTICE TO SHIPPERS AND IMPORTERS FUEL COSTS

The Member Lines of the above Conferences operating services between the United Kingdom, Northern Ireland and the Republic of Ireland and Canadian Maritime, St. Lawrence River and Great Lakes Ports have continued to monitor bunker costs on a monthly basis and the result of this monitoring shows that the position as at 15th March justifies a reduction in the present level of bunker surcharge. Accordingly with effect from 15th April 1982 the bunker surcharge applicable will be revised to the following basis:

$6.50 per ton weight (1,000 kilos) } As
$4.65 per ton measurement (cubic metre) } freighted

Minima for containers moving under Services 1 and 2:
20' containers — $77.00
40' containers — $114.00
Maximum per container — $209.50.

The bunker surcharge will continue to be exempt from the Conference currency adjustment factor and will not apply to the Toronto/Hamilton additionals.

Any future changes to the bunker surcharge resulting from the monthly monitoring will be announced as and when warranted.

Atlantic Container Line G.I.E.
Canadian Pacific Steamship Ltd.
Dart Containerline (Canada) N.V.
Hapag-Lloyd AG.
Manchester Liners Ltd. } Joint
Golden Cross Line Ltd. } membership

CANADIAN ATLANTIC FREIGHT SECRETRIAT LTD., Secretaries.
Cunard Building, Liverpool L3 1DS.
March 1982.

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE

NOTICE TO SHIPPERS NEWFOUNDLAND ARBITARY CHARGES

The Member Lines of the above Conference would refer to their press announcement in February advising increases in the Newfoundland arbitrary charges applicable to full container loads consequent upon the announcement by the carriers of cargo between Halifax, N.S. and St. John's, Newfoundland, of an increase in their charges. Advice has now been received from these carriers that the charges applicable to L.C.L. shipments will be increased with effect from 15th April 1982 to the following basis:

	C$ per 100 lbs
1 - 1500 lbs	10.56
1501 - 2500 lbs	9.56
2501 - 5000 lbs	9.34
5001 - 10000 lbs	7.65
10001 - 20000 lbs	7.10
20001 - 30000 lbs	6.81
30001 - lbs and over	6.27

Minimum charge C$22.50 per bill of lading.

Shipments weighing 4000 lbs up to 8000 lbs per piece or package are subject to a heavy lift charge of C$40.00; for pieces or packages weighing over 8000 lbs, the rate will be supplied upon request.

The Member Lines therefore have no alternative but to increase the arbitrary charges which are presently applicable on L.C.L. cargoes moving from Great Britain, Northern Ireland and the Republic of Ireland to Newfoundland via Maritime St. Lawrence River ports to the same level.

Atlantic Container Line G.I.E.
Canadian Pacific Steamship Ltd.
Dart Containerline (Canada) N.V.
Hapag-Lloyd AG.
Manchester Liners Ltd. } Joint
Golden Cross Line Ltd. } membership

CANADIAN ATLANTIC FREIGHT SECRETRIAT LTD., Secretaries.
Cunard Building, Liverpool L3 1DS.
March 1982.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN TSUBAKIMOTO PRECISION PRODUCTS CO., LTD.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date March 31, 1982 the shareholders' register will be closed for the period April 1, 1982 to June 29, 1982 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from March 27, 1982.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 3 will be used for collection of this dividend.

CITIBANK, N.A., London. Depositary.
March 25, 1982.

SEKISUI PREFAB HOMES LTD.

NOTICE TO EDR HOLDERS

NOTICE IS HEREBY GIVEN informing EDR holders of revised terms of allocation of the free-distribution of Ordinary Shares of Common Stock ("Shares") at the rate of one share per ten to holders on record January 31st, 1982. If the holder of any coupon No. 1 demonstrates to the satisfaction of the Depositary that he is the holder of ten Coupon No. 1 or any multiples thereof, then upon presentation he will be entitled to receive an EDR or EDRs in denominations of 1,000 shares. For any EDR holder of a lesser number of Coupon No. 1 upon presentation gratis shares would be sold and the net proceeds distributed in proportion to the EDR's holders entitlement.

ROBERT FLEMING & CO. LTD., Depositary.
March 25th, 1982.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows, 189, Regent St. 734 0557.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
1st qtr.	99.5	88.7	98	106.6	130.8	2,282	100
2nd qtr.	99.0	88.9	92	104.7	134.5	2,482	89
3rd qtr.	99.8	89.7	104	105.5	139.1	2,641	96
4th qtr.	100.1	89.8		105.4	168.5	2,732	104
July	99.6	89.2	101	104.5	139.5	2,590	92
Aug	99.6	89.5	126	105.0	139.0	2,643	98
Sept	100.3	90.3	86	103.5	138.8	2,692	97
Oct	101.5	91.4	95	106.2	147.8	2,523	99
Nov	99.9	89.8	94	105.6	158.4	2,760	104
Dec	99.0	88.1		104.6	193.1	2,769	108
1982							
Jan	98.6	87.5		107.0	143.9	2,812	112
Feb				106.0		2,818	113
March						2,823	111

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
4th qtr.	94.3	91.6	117.1	86.6	71.0	77.2	10.1
1981							
1st qtr.	93.6	88.3	117.1	84.1	75.7	76.7	10.9
2nd qtr.	93.2	88.7	117.9	84.8	78.7	75.8	14.1
3rd qtr.	93.5	89.3	118.5	86.3	77.3	75.1	14.2
4th qtr.	93.1	90.1	121.3	86.5	82.6	74.8	11.7
July	94.0	89.0	118.0	86.0	77.0	74.0	14.5
Aug	94.0	89.0	118.0	86.0	76.0	76.0	12.3
Sept	93.0	90.0	120.0	87.0	79.0	75.0	15.4
Oct	95.0	90.0	124.0	87.0	86.0	75.0	13.4
Nov	93.0	90.0	121.0	86.0	83.0	75.0	14.1
Dec	92.0	90.0	119.0	86.0	79.0	74.0	7.7
1982							
Jan	89.0	90.0	119.0	86.0	77.0	71.0	11.5

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.6	111.8	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.		107.0					28.34
2nd qtr.							26.73
4th qtr.	135.8	132.3	+748	+1,248	+705	99.8	23.35
Feb.	121.7	114.3	+314	+755	+231	105.2	28.43
March		105.5					28.21
April		106.2					28.07
Sept	130.2	135.3	+ 13	+114	+290	100.0	23.70
Oct	133.9	126.3	+366	+532	+ 89	98.9	23.32
Nov	139.8	141.7	+ 51	+218	+214	100.2	23.46
Dec	133.8	129.0	+331	+498	+402	100.4	23.35
1982							
Jan							23.23
Feb							23.37

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,951	868	2,019	
4th qtr.				+2,184	422	1,980	
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	290	658	12
Aug	0.8	14.5	35.4	+1,246	244	659	—
Sept	9.7	22.8	34.3	+2,465	334	706	—
Oct	− 4.7	20.2	24.0	+1,557	154	681	—
Nov	7.6	17.3	20.4	+ 443	65	642	—
Dec				+ 184	203	657	—
1982							
Jan					356	656	
Feb					347		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.58	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.3	235.9	224.1	299.1	278.3	260.83	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Aug	210.4	236.8	224.1	299.3	277.3	257.64	91.2
Sept	211.7	237.9	226.3	301.0	279.5	266.83	88.0
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	217.1	236.8	230.4	308.8	288.5	248.97	90.1
1982							
Jan	214.1	238.7	232.7	310.6	296.1	232.94	91.1
Feb		239.6	234.4	310.7	297.1	241.77	91.5

*Not seasonally adjusted.

BASE LENDING RATES

A.B.N. Bank	13 %	Grindlays Bank	‡13 %
Allied Irish Bank	13 %	■ Guinness Mahon	13 %
American Express Bk.	13 %	■ Hambros Bank	13 %
Amro Bank	13 %	Heritable & Gen. Trust	13 %
Henry Ansbacher	13 %	■ Hill Samuel	§13 %
Arbuthnot Latham	13 %	C. Hoare & Co.	†13 %
Associates Cap. Corp.	13 %	Hongkong & Shanghai	13 %
Banco de Bilbao	13 %	Kingsnorth Trust Ltd.	14 %
BCCI	13 %	Knowsley & Co. Ltd.	13½ %
Bank Hapoalim BM	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	15 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½ %	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½ %
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	13 %	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½ %	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	14 %	Trustee Savings Bank	13 %
Cayzer Ltd.	13 %	TCB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½ %
Choulartons	14 %	Williams & Glyn's	13 %
Citibank Savings	¶12¾ %	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Consolidated Credits	13½ %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13½ %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	16½ %		
First Nat. Secs. Ltd.	16½ %		
Robert Fraser	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.6%.
† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
§ Demand deposits 10¼%.
¶ Mortgage base rate.

Dainippon Screen Mfg. Co., Ltd.

Kyoto, Japan

4 % DM Convertible Bearer Bonds of 1979/1987
Security Index Number 464 462
Adjustment of Conversion Price

The Board of Directors adopted the following resolution on February 26, 1982:

Free share distribution at a ratio of 10 : 1 to shareholders registered on March 31, 1982 (record date).

As a result of this capital increase the previous conversion price of Yen 790.50 for the convertible bonds will be adjusted in accordance with the Terms of Issue. The conversion price effective from April 1, 1982 will be Yen 718.60 per share of Common Stock with a par value of Yen 50,–.

On behalf of
Dainippon Screen Mfg. Co., Ltd.

Munich, in March 1982 — BAYERISCHE VEREINSBANK Aktiengesellschaft

TECHNOLOGY

EDITED BY ALAN CANE

UK-based manufacturers fall behind in electronics

BY GUY de JONQUIERES

LESS THAN half of manufacturing establishments in Britain are estimated to be applying microelectronic technology to their products or processes or to be planning to do so in the near future. Moreover, the majority of users are larger companies or local subsidiaries of foreign-owned groups.

These are among the principal findings of a study published today by the Policy Studies Institute, which says that British industry may already have fallen behind many of its overseas competitors in the use of microelectronics. Without new measures to encourage application of the technology, the gap is likely to widen.

The study, based on a sample of 1,200 manufacturing establishments questioned early last year, says that most of those using microelectronics believe that it has benefited their business.

It also suggests that introduction of the technology may have created more jobs than it has destroyed and finds little evidence of serious trade union resistance.

But too many companies are said to be ignorant of the potential advantages of applying microelectronics and of how to set about doing so. The study also blames the recession and shortages of suitably skilled staff for retarding the spread of the technology.

It finds that 13 per cent of the 1,200 establishments questioned are using or planning to use microelectronics in their products, while 45 per cent are using it in their production processes or say that they intend to.

Only 9 per cent of the sample were applying it to both products and processes. Just over half the sample were doing neither.

More than half the establishments using microelectronics employed more than 500 people, while those employing less than 100 staff accounted for only one-eighth of users. The most widespread use was in electrical and instrument engineering, mechanical engineering and vehicle manufacturing, which together accounted for 91 per cent of users.

The most-frequently mentioned advantages of using microelectronics in products were better performance, greater flexibility in new product development and lower production costs. The chief benefits of applying it to processes were said to be better production control, consistently higher product quality and more efficient use of labour.

Many users said that the main obstacle to applying the technology more widely was the lack of skilled staff. The most acute shortage was of engineers with microelectronics experience, followed by specialist technicians and programmers. But only about half of users said that they had ever sent engineers on a microelectronic's training course.

Only about 2 per cent of product users and 9 per cent of process users considered that shop floor or union opposition to introducing the technology was a very important problem.

More than 70 per cent of all users said that the application of microelectronics had produced no significant change in their employment levels, and 60 per cent expected no change in the next 18 months.

On the basis of replies given by the 1,200 establishments, the study estimates that up to the start of 1981 the use of microelectronics in products may have created about 23,000 jobs in Britain, while job losses resulting from the application of the technology to process are put at about 7,000.

But the study suggests that the gain in jobs at establishments bringing in product applications may be offset by employment losses at other plants which are not up-dating their products with microelectrics.

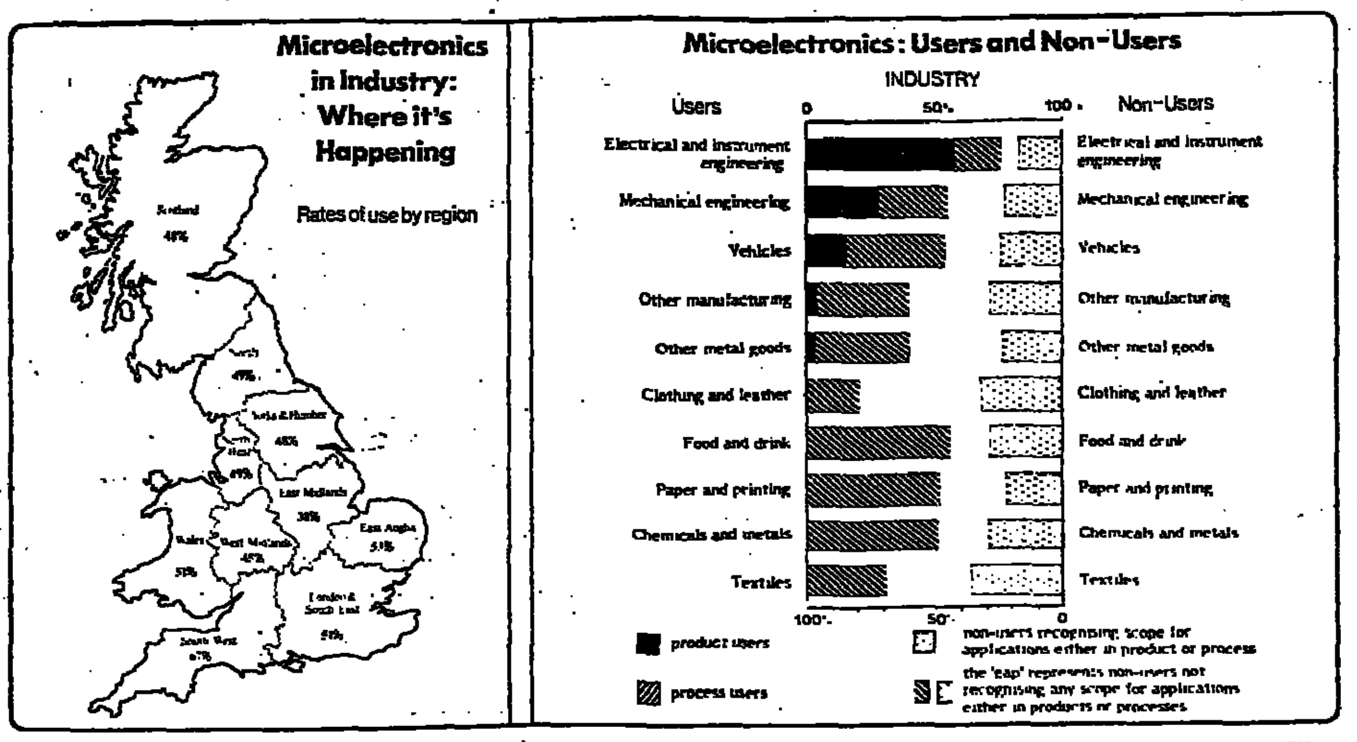
The majority of non-users said that they saw no scope for applying microelectronics in their businesses. But the authors of the study are sceptical. They suggest that potential applications exist, but that non-users are either insufficiently informed or lack the motivation to exploit them.

About two-thirds of users said that they were aware of the Industry Department's Microprocessor Application Project, *against only one-third* of non-users. But only a small proportion of those questioned said that they were familiar with the specific features of the scheme designed to encourage the use of microelectronics in industry.

The study also blames the recession for impeding the spread of microelectronics in industry. Almost a third of users regarded general economic conditions as a greater obstacle than technical difficulties. The study also reports that in 1980 the number of establishments starting to use microelectronics fell for the first time in six years.

"There are uncomfortably strong reasons for supposing that industry in Britain has not been adopting microelectronics to the fullest extent possible and that in consequence it is already tending to fall behind our leading competitors. It would be dangerous to allow this to continue," the study says.

● *Microelectronics in Industry: What's happening in Britain, by Jim Northcott and Petra Rogers,* £5.00. *The Policy Studies Institute,* 1-2 *Castle Lane, London SW1E 6DR.*



Microelectronics use varies significantly both between regions and industries. The highest applications rates are in South West England and in engineering and vehicle manufacturing

Computer aid for first-time users

FOR A price of £78,000 Applicon (0?1-429 7227) is offering a computer-aided design equipment that should prove attractive to first time users.

These packaged systems include all the hardware and software for either mechanical draughting or printed circuit design. The basic system includes main processor, display processor, a 200 megabyte removable disc and a dual density tape subsystem.

The basic system is supplied to support mechanical or electronic graphics (but not both), one or two workstations and a maximum of three concurrent tasks or activities. Field upgrading is possible to allow for *four workstations and more* work.

The basic system includes a console printer, monochrome graphics workstation and one of the two software packages.

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CONTROL DATA

Micron Herbi hand-held sprayer

This is the Micron Herbi, a hand-held battery-driven sprayer designed to control weeds in amenity areas. The system, which allows an operator to spray up to one acre an hour, uses an oil and water emulsion. CDA Chemicals, 16, Vine Street, Billingborough, Sleaford, Lincs. (05294 456) says that a tennis court can be sprayed in 10 minutes.

... and one from a knapsack

Still on sprayers and E. Allman of Birdham Road, Chichester, Sussex (0243 512511) has introduced its APT 20 knapsack sprayer. With a diaphragh pump and 20 litres capacity, the regulating valve can adjust spraying pressure from 1 to 3 bar (14 to 43 psi). It costs £35 plus VAT.

Philips additions for better response by bank cashiers

MODERN banking technology means a visual display terminal for each cashier connected directly to the bank's mainframe.

Cashiers should be able to respond *quickly* to customer needs and inquiries—but only if the desk terminal can talk quickly to the mainframe computer.

Conventional connections between mainframes and terminals can be both expensive and slow. Philips has now added new hardware and software to its financial automation system to improve matters.

The first UK user of its new equipment—which it calls local workstation interface—is the Yorkshire Bank.

It has 1,400 cashiers on-line to its mainframes. What Philips has done is in the mainstream of networking thinking these days.

The *terminals* are connected to a terminal controller through multipoint cabling and a small computer—which Philips calls its processor for line control—monitors the terminals, collects message from the main memory of the mainframe or stores messages from the terminals. This without adding much to the workload on the main computer. So the whole system can run faster and more efficiently.

Philips says its design rules fit closely with international standards proposals which are expected to govern the way all computers are linked together soon.

ALAN CANE

Digital display system

THE LATEST colour graphics display sub-system from Digital Equipment (0734 868711) will take data from the PDP-11 or VAX-11 computers and display it in up to 16 colours, as mimics *or graphics,* on multiple screens.

Called VT 36, the unit combines an integral 16 bit microprocessor based controller with sophisticated graphics software. All the display tasks are performed internally, leaving the user to concentrate on his application.

The system can also perform dynamic picture updating, automatically displaying changes in the user's database as they occur. It is thus particularly *relevant to applications such as* process monitoring and public utility network control, where the speed with which operators and system controllers can react to new conditions is often a crucial factor.

THE INFORMATION MOVERS
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Head probe for Zeiss machines on display

CHECKING a workpiece shape with complicated curvatures, either manually or by touch probe, can be a difficult and time consuming process.

A typical example would be a car body panel where the designer would define the shape by a series of curves, each applicable to a certain section.

Hahn and Kolb of Leicester Road, Rugby (0788 74261) which markets the Zeiss series of CNC 3-D measuring machines has announced a new probe head for the series which can now carry out scanning automatically using a Hewlett Packard computer.

Co-ordinate values for points along the scan are stored at a rate of 120 points per second and then transferred to the computer. Because of the close spacing of the points the output is described as "virtually analog."

One of the computer peripherals is a multi-colour chart plotter. This plots each specified curve and depicts its relationship to the overall shape of the workpiece. By the application of a different colour the plotter then produces the curve measured by the machine.

The resulting chart can show the inspector whether the shape of the product is acceptable and can also show the location and degree of inaccuracy.

The probe is in continuous contact with the surface to be checked and can float freely in three linear axes. In practice, it is clamped in two axes and incorporated in a control loop which constantly seeks zero probe deflection.

Up to 25 probes can be mounted in five positions and with an appropriate array the machine can perform complex measuring routines without any change of probes.

A machine with the new scanning head goes on display today on Stand 4008 at the National Exhibition Centre.

If you miss that Malcolm Lockie at Rugby or Carl Zeiss D-7082, Oberkochen, West Germany, will be pleased to tell you more.

MAX COMMANDER

Strapping for newspapers

PAKSEAL Industries has introduced its Pakseal Beta 80/2 fully automated tandem strapping system designed for the newspaper industry to match bundle strapping speed with print run production rates.

The two strapping heads, linked by a turntable to turn the bundle through 90 degrees, is microprocessor controlled. Details from Pakseal; Cordwallis Estate, Maidenhead, Berks (0628 26381).

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No. of attendants
I will be present in: ☐ Amsterdam — 16 March ☐ Rotterdam — 17 March

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Market research solid but lacking growth

DESPITE a gloomy prediction of the national future from its new chairman, Dr Ralph Dahrendorf, the Market Research Society celebrated its silver jubilee in Brighton last week with a confidence and breadth of activity which would have awed the select few who gathered for the first conference.

The conference papers sum it up: a booklet of over 500 pages covering such diverse topics as what the SDP means to its members to research on developing a new game of football for the Football League. In between were such hardy annual specialist subjects as "computer aided coding of open questions."

Inevitably the market researchers spent a good deal of time on their favourite subject—the market research industry. Martin Simmons of Gordon Simmons showed how the industry had grown: over two hundred research companies undertook business worth £109m last year, a seven fold growth in real terms since 1969. But since 1978 there has been no growth and Martin Simmons tried to find out why by questioning fifty of the largest companies in the country, the main buyers of research.

As in most market research findings many of the conclusions are obvious, but the marketing men were surprisingly ignorant about such facts as the size of the research industry—most thought it much larger—and the profitability of the firms—they estimated it at 10 per cent while most ad hoc research companies manage on 2.5 per cent profit to turnover.

However, the clients thought that market research was a good thing, although they considered political polls were bad for its overall image. The basic conclusion was that the market research industry needed to publicise itself more, especially among key marketing directors.

The attraction of the Market Research Society conference is the opportunity it provides of getting up to date with important research subjects. Electoral polls is the area where research has most contact with the public, mainly in its role as newspaper readers. Robert Worcester of MORI provided a history of the subject and pointers to the future, disclosing on the way that only a third of the public is impressed by polls but that they did influence voting behaviour, not, as might be predicted, by establishing a bandwagon for the likely winner but by rallying adherents to the underdog. Such a conclusion, which goes against received wisdom, shows the value of research but it does not mean that clients, forced to revise their plans, will accept the advice.

Stephan Buck of AGB also took a vital topic—consumer panel research — which accounts for 15 per cent of all research spending in the UK. He gave an example of its usefulness: his company set up a panel of video owners and discovered that the average weekly viewing of the video is over 17 hours but 86 per cent of this is of self-recorded tapes as against 14 per cent for pre-recorded. Such data has major implications for the television advertising industry, especially as by the end of this year 10 per cent of homes are expected to have a video.

AGB's great rival Nielsen, in the form of John Whitaker and John Lay, concentrated on how technological developments would enable Nielsen's great profit earner—retail auditing—to combine with AGB's consumer panels. By 1985 a thousand stores are likely to have scanners which will carry out market research electronically.

Perhaps of special interest to the 700 delegates at the conference was the survey of salary levels from Eric Adler Associates. A graduate with seven years' experience working in a research company or manufacturing industry could expect to earn £15,000 plus. If employed by an advertising agency this shot up to £25,000 plus.

Political

What would have surprised researchers of 25 years ago is the number of papers devoted to social and political issues, for example a study which used pictorial cards to find out what the elderly wanted in old people's homes rather than relying on verbal interviews—and the decline in papers on advertising research. Jack Potter of Alpha made a plea for more post-testing of TV commercials to see whether the brand is registering itself on the public awareness (the BP article alongside shows what this can reveal). What would have reassured the pioneers is the constant flow of interesting facts that emerge from every MRS gathering.

To pick a few at random: the percentage of letter mail consisting of greetings cards has more than doubled to 5.2 per cent of the post in the last five years while picture postcards have halved to 1.1 per cent: a half of train travellers hardly ever experience late trains but are upset about the cleanliness of trains, or lack of it: only 19 per cent of adults in the London catchment area ever visit a West End theatre but one-third of theatre-goers account for over two-thirds of seats sold.

Antony Thorncroft

How BP danced into the limelight

David Churchill on the oil giant's £6m campaign

TWO MEN are drinking in a pub. "Name me one example of British success and I'll buy the next round," says one, with typically alcoholic bravado. His friend furrows his brow with concentration at the obvious difficulty posed by such a question.

Help is at hand as a third man (off-screen, since this is a television commercial) interrupts: "Step outside and I'll show you."

In the time-honoured tradition the two duly "step outside"—only to find themselves buffeted against the wind on an oil-rig in the middle of the North Sea. "Blimey, the car park's flooded," says one. "This is British—and it's successful," says the voice-over. "Now, put these on," and he throws two Parka coats to the bemused twosome still clutching their pints of beer.

In a flash they are whisked to the sub-zero temperatures of Alaska and stand next to a pipeline stretching endlessly across the frozen wastes. Their pints are frozen solid.

"This is the world's most ambitious pipeline — and it's British," says the voice, adding, "Come on, we're off to the ballet." At which point they step on to the stage in the midst of a clutch of tutu-clad ballerinas. "Hear that music?" says the voice. "The same British company developed the plastic that turned it into millions of records."

As the two men leave the stage, one catches the bouquet meant for the dancer. "Well, my round, init?", he says.

Back in the pub, with fresh drinks all round, the third man says: "It's so British, you may not have heard how successful it is."

"Well, come on then, who is it?"

"BP—Britain at its best." Fade out . . .

That prize-winning television commercial is part of the three year £6m corporate advertising campaign for BP, the first time that Britain's largest company has sought to change its image with the general public in this way.

According to independent market research, BP has certainly succeeded in its objective in a dramatic way. John Samuels, of the British Market Research Bureau which has carried out the survey work, says that the attitude changes measured following the first year's campaigns "are some of the largest, if not the largest, that I have ever seen from a campaign like this."

A scene from BP's prizewinning commercial

Persuaders

In the heady days of the early 1970s North Sea oil rush, such a strategy seemed to work as BP featured prominently in the media as a major oil pioneer, and market research showed a favourable attitude among opinion formers. Yet by the late 1970s, special studies of people's views of BP showed not only that BP's image among opinion-formers was slipping, but also that awareness of BP and its activities among the general public and in certain geographical areas had never been high at all. Clearly, relying on opinion formers to get the message across was not working for BP.

Moreover, in the relatively uncharted field of measuring the effectiveness of corporate advertising, BP has come up with some surprising conclusions about various advertising strategies and uses of media.

Perhaps the most surprising fact, however, is that BP needed to carry out any corporate advertising at all. Most Financial Times readers would be expected to have a high-level awareness of BP, especially since its "communications" strategy in the past has been aimed at the "opinion formers" who form the bulk of the FT's readership. BP—and many other companies—believed that by persuading the persuaders their opinions would filter down to the general public.

The reason BP felt it needed to get its message across was that the question of North Sea oil and its value to the British economy had become a political issue. BP felt that the public should be aware of its activities in order to forestall any criticism about its profits (most of which went in investment in new oil exploration projects) as well as its activities as a multinational. It had nothing to hide about its role in the modern world, but it felt that the man in the street did not see BP in this way.

Matt Huber, BP's manager for corporate advertising, explains that this "somewhat hazy, weak opinion of BP was out of line with the scope of the company's activities and its tremendous success in a number of areas." The public perceived BP as a monolithic, sleeping giant that was perhaps a little secretive about its activities and was some sort of extension of state industry.

So, in 1979, BP's board agreed to move towards a "higher profile" for the company and to try to get its message across directly to the general public. Five agencies were asked to pitch for a corporate advertising campaign: Saatchi and Saatchi Garland-Compton won the account.

"By trying to get our message across we risked sounding pompous and boring," explains Huber. "However, Saatchi offered a really creative approach that suited our needs exactly."

So the Saatchi campaign was aimed at using the British trait for self-deprecation to make the point about BP being a successful, diverse, and British company.

Since the aim was to reach as wide an audience as possible, television was the obvious medium. However, BP and Saatchi came up against the problem of planning and frequency and areas in which the commercials should be shown.

While planning and measuring the effectiveness of a consumer product advertising campaign on television is an extremely sophisticated operation, the available knowledge about corporate advertising campaigns on television was scanty. Newspapers and magazines had been the usual medium for this form of advertising.

So BP decided that it would initiate its own experimental programme using a variety of media schedules and monitor the results with independent market research.

Thus BP and Saatchi experimented with different levels of advertising in different areas: this comprised the conventional full "burst" of commercials in the hope that viewers would see the advertisement a certain number of times; a campaign at half that frequency; and a "drip" campaign which showed the commercials less frequently but with the aim of building up to the same viewer response as for a full-burst campaign.

Fascination

To support this approach — and in the hope of reaching the ABC1 market — the television commercials were supplemented with some press advertising along the same theme: "BP — Britain at its best."

However, BP was conscious not to let any fascination with such experiments make it lose sight of its original company objectives.

The results of the campaign, as measured independently by BMRB, were probably more than BP could have hoped for. On the "first mention" awareness by the public of an oil company, BP had for long been a poor second to Shell in most people's minds. Yet BP's advertising campaign soon put it ahead of its rival, a lead which it claims to have maintained, according to the BMRB research.

On other key image determinants — such as awareness of "British," "successful" and "more than an oil company," BP has overtaken its rivals and other major UK companies.

The experiments with media scheduling not only helped BP to plan its campaign better during 1981 and so far this year, but also confounded some of the conventional television wisdom. The "drip" method of showing commercials appeared to work marginally better than either the full or half-weight bursts of commercials. Moreover, the half-weight bursts also worked nearly as well as the full-weight ones.

BP's experimental approach and follow-up market research has helped overcome within BP the traditional distrust of the worth of advertising and replace it with hard evidence about the cost-effectiveness of advertising.

Moreover, BP is very pleased with the image that the market research shows it has among all sections of the community.

But while BP is basking in the glow of its new corporate image — as seen on TV — such success is no guarantee of financial resilience in the current economic climate. Last week it reported net profits down by 25 per cent to £1.1bn.

Express haste to tackle Mail on Sunday

THE year-old Sunday Express Magazine has been given a central role in Express Newspapers' fight to keep at bay the rival Mail on Sunday when it is launched in May.

A large number of series is planned by the Express magazine to coincide with the arrival of the Mail on Sunday. These are designed, says Ron Hall, the magazine's new editor and former editor of the Sunday Times Magazine, to "hook the readers and sustain them through any crisis of loyalty during the period of the Mail launch."

By launch day of Associated Newspapers' new Sunday—May 2—there will be four such series running in the Express magazine. The centrepiece will be a serialisation of "Princess," a biography of the Princess of Wales by Robert Lacey, author of "Majesty." "May and June should be a particularly fertile time for the Sunday supplements, because so many big events lend themselves to colour treatment—the visits of the Pope and the Reagans, the World Cup, the royal baby," says Hall. "In presenting these the Sunday Express will have a real edge over the Mail on Sunday."

Although the Sunday Express Magazine was launched against a background of some scepticism in the industry over whether it would find a worthwhile spot in the market, Express Newspapers contends that it is approaching its first birthday as a proven success. It is likely that the next ABC figures will show that Sunday Express circulation has edged back over the 3m mark from 2,993,763 in July-December, 1981.

This may, among other factors, have as much to do with bingo as the magazine. But Express Newspapers' executives believe it is significant that the only two Sunday titles to improve their year-on-year circulation position in July-December, 1981—the Sunday Express by 4,301 copies and the News of the World by 39,063—had recently launched colour magazines.

Express research indicates that its magazine enjoyed 13 per cent of Sunday colour magazine advertising by volume in the October-February period. This analysis points to much more than a simple redistribution of colour advertising following the arrival of the Sunday Express and News of the World in the previously up-market club of the Sunday Times, Observer and Sunday Telegraph. The Express research suggests an increase in Sunday colour magazine volume by more than 25 per cent, at a time when black and white advertising increased by only about 4 per cent.

Alan Pike

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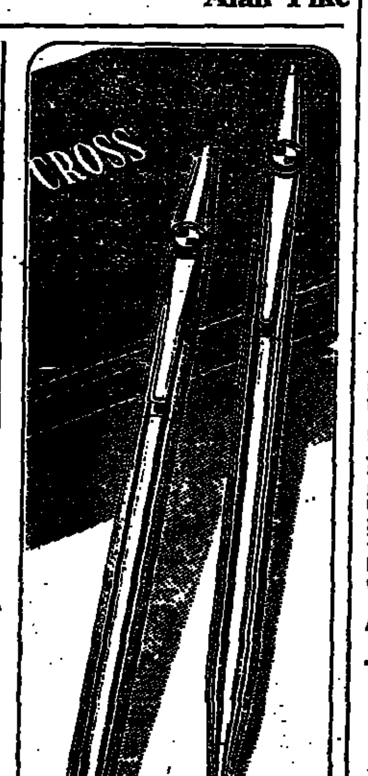

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THE ARTS

Adelaide Festival

Pina Bausch's '1980'

by MICHAEL COVENEY

Pina Bausch's Wuppertaler Tanztheater saved their most haunting and extraordinary production, *1980*, until the penultimate evening of Jim Sharman's superb festival. It is a piece of breathtaking scope and ambition composed in the year of the title just after the director's husband had died of cancer.

It has a Proustian feel of private intimations and time span, all contained in a strange liquid open air setting of lawns (the stage of the Opera Theatre is covered in turf), private dancing under a hose-pipe, taking tea amid family entertainment, sun-bathing, childhood terror, and melancholic blankness.

We start with a young boy supping mouthfuls of food from a large bowl and invoking slowly the members of his family. The boy is accompanied throughout by stage-hands who see his platform, bring on his harmonium. A girl measures out the turf in paces. The company move sensuously through the audience to the strains of a haunting music hall song, hand-jiving and shoulder-stretching in this remarkable style that hovers between modern dance, mime and insouciant expressiveness.

There are lullabies, violent explosions of affection such as a girl being tossed in the air by a group of boys and having her fire, as it were, extinguished by blankets and corporate huffing. The blankets are important. Lying under them is difficult; they are too small and just wriggle as you do uncomfortably in an ill-made bed. A man wrestles with his shroud. A girl, striking in see-through dress, is bidden farewell by her friends. "See you around," "it was wonderful," etc., the small change of embarrassed processes of cultivation make up one memorable sequence.

It is a difficult work, not least because Pina Bausch leaves so many choices to the audience. Where to look, for a start. After a screaming company nightmare, the stage is thrown into bright lighting. Sunbathers take up their positions, each with a detailed physical characterisation until the whole stage picture gels in images of shoulders, arms, and a stunning variety of facial poses; the sculptured gravity of this is continuously undercut, not least by the man under the original blanket baring his bottom to the heat. The soundtrack at this point is blaring out Judy Garland singing "Somewhere Over the Rainbow" with full applause and encore. The stage resembles Seurat's "Bathers" in 3-D.

The company forms scenes of domestic passivity as a conjuror entertains them. Simultaneously a young boy and girl play garden games upstage while two other statuesque performers take tea trays through the stalls. We now have three shows going on, and we are asked to follow whichever we please. The entire effect of overlaying action with complimentary or contradictory statements is one of the most stunning I have ever experienced.

The domestic scenes are played against a background of Alfred Deller singing Shakespearian pastoral songs. This Chekhovian mood is ruptured by the company being quizzed as to their fears, their ambitions, their national characteristics, their real-life scars and the qualities of the dinosaur. One girl with a startlingly husky voice shouts out that she is afraid of madness and death. Is that all? shouts back a voice high in the theatre. That's enough, she replies.

Twice the dancers form a circle and sit on bentwood chairs. They play childish games and are fragmented by the working lights into a company discussing, in nearly inaudible whispers, their lives and their work. The instrument of the ensemble both projects a private angst and, literally, impedes its artistic expression, as a dancer performs a classical routine behind the lines.

1980 is dense, difficult, seductive and worrying. It is also very funny. The sun-bathers become contestants at a beauty contest, each showing a leg in a huddled line and shouting out ludicrous hobbies and ambitions. The bereaved boy becomes one of their number. Inexplicable images, such as a stuffed deer and the strange apparition of a man working out on the parallel bars, are allowed to fester before being charged down in a single cutting remark.

Death and separation can only be faced by pouring the experience back into our lives and work, rationalising the pain, as Proust did, in a construction of art. This is the positive function of nostalgia and it permeates *1980* in a way I never believed possible in a theatre. The show combines the technical craft and humour of *Kontakthof* with the exhausting emotionalism of *Bluebeard* and brings an extraordinary festival to a triumphant close. I shall conclude my coverage in a third piece next week.

A scene from '1980'

Riverside Studios

The Sea

by ROSALIND CARNE

Student productions can occasionally throw new light on old plays. They certainly lay bare the difficulties in this case the dislocation between Edward Bond's sharp social comedy and his ambitious exploration of human aspirations and absurdities. These young actors from The Drama Studio make a fair job of a problematic work first seen at The Royal Court in 1973, though, as might be expected, the lighter episodes are the most successful.

Jennifer Williams shows promise as the peremptory Mrs Rafi, leading lady of the small East coast town, home of peculiar goings on after a stormy night. She shines in the delightful play within a play, Orpheus and Eurydice in an Edwardian drawing room, executed with spirited satire and plenty of individual histrionics.

This is the first of three collaborations between The Drama Studio and The Theatre Design Course at The Riverside. John Warden is the designer, very much in school of Hayden Griffin, Associated Head of the course. His set is spare, blue and serviceable, though not wildly imaginative. Against a still, marine backcloth and yellow humped cliffs, wooden frames and simple furniture create the Rafi house or the draper's shop.

Don Juan Comes Back From the War by O. von Horvath, translated by Christopher Hampton, will be presented this weekend, and a western musical, *Silver Queen Saloon* by Paul Foster, runs throughout next week.

Camden Festival

Troilus and Cressida

by RONALD CRICHTON

The news, so long ago now, that Walton had chosen *Troilus and Cressida* as the subject for an opera stirred hopes that Shakespearian bitterness and gall would appeal strongly to the composer of the melancholy musings of the viola concerto, of the sulphurous scherzo of the first symphony, of the mourning in the middle of *Belshazzar*. But Christopher Hassall based his libretto on Boccaccio and Chaucer and four other qualities there, turning out something like Rupert Brooke might have written as an opera text had he acquired Hassall's theatrical experience. The opera has faithful admirers, though on Tuesday night they did not fill the Logan Hall in Bedford Way for Camden's 80th birthday offering to Walton—a concert performance of *Troilus* in the version made for Janet Baker at Covent Garden a few years ago. The performers were Chelsea Opera Group, conducted by Roderick Brydon.

One hoped a concert performance might give the score the bite lacking in the opera house, but the usual impression of drawn-out lyricism, "beautiful" but enervating, persisted. And where was the Italianate element? Nowhere to be heard, except perhaps in the sextet. The lovers' music might sound Italianate in Italian throats but not in English ones. Grateful vocal lines, yes, also a recurrent weakness for upward leaps of an octave like the beginning of the violin concerto. *Troilus* on Tuesday came out as English as could be, a chain of pastorals floating somewhere between planetary Holst and gloomy Warlock, with a few jabs in the arm from Ravel across the water.

Jill Gomez was announced for Cressida, but since the Baker version was preferred, we heard the young mezzo Jean Bailey, who sang cleanly, purely, with finely focused tone. She made the lament in act 3, 'No answering sign on the walls' into the evening's most distinctive moment. Miss Bailey did not put much drama into the role, but this young widow craving for security who makes a fatal miscalculation is not a very interesting character. The dependable David Hillman did his best to bring the conventionally drawn Troilus to life. Richard Angas boomed mightily as the unspeakable Calkas. Bernard Dickerson dealt tactfully with the faded quips of Pandarus. Like Otakar Kraus in the original production, Christopher Booth-Jones discovered that Diomede is the best role in the opera. The COG Chorus was enthusiastic, the Orchestra happier in fast music than in lyrical pages where smudges were difficult to conceal. Mr Brydon conducted with unobstrusive skill.

Revival at the Monnaie

Max Loppert reports on the progress of one of Europe's great opera houses . . .

The Koninklijke Muntshouwburg—or to give the alternative and better-known appellation, the Théâtre Royal de la Monnaie—stands on the Mint Square at the heart of Brussels, one of the world's great opera houses. Kept famous in the opera history books by one of the most notable moments of flashpoint between opera and national politics in the 19th century—the performance of Auber's *Masaniello* that led immediately to local riot and national revolution—the house served quite as notably, in subsequent decades, as the second house of the francophone operatic world, often significantly more advanced than the Parisian first. Melba and Rose Caron were not the only leading singers to take the first steps of their European careers there; Massenet's *Hérodiade*, Reyer's *Sigurd* and the French translations of *Aida* and *Meistersinger* were among many Monnaie premieres; and Belgium, of course, has supplied France with major singers (among them Fernand Ansseau, recently Rita Gorr and José van Dam) much as Wales has supplied England.

But in the period after the last war the theatre's artistic fortunes fell into decline. Artistic direction by the distinguished tenor Joseph Rogatchewsky (1953-59) and Maurice Huismans (1959-81) achieved, at best, individual evenings rather than a coherent, lively artistic policy—Huismans is likely to be remembered above all for attracting Béjart to Brussels for the 1960 foundation of the Ballet of the 20th Century. Regular reports printed in *Opera* magazine chronicled unimaginative repertory and casting, low orchestral and choral standards, and heated dispute during the period when the young Belgian conductor François Huybrechts was in musical charge, occasionally mitigated by "events" such as Elisabeth Schwarzkopf's and Hotter's farewells, or the 1980 first performances of Oliver Knussen's *Where the Wild Things Are*. As one who for 10 years closely scanned the *cartellone* for a reason to visit Brussels, I found very little that promised to *valoir le voyage*.

But since the beginning of the current season, waves of revitalisation have been flowing through the Monnaie. A youthful Belgian, Gerard Mortier, who gained his experience in Germany and then in Paris under Liebermann, is General Administrator of the National Opera; John Pritchard and Sylvain Cambreling are the musical directors, and Gilbert Deflo (recently admired in Britain for his Welsh National *Frau ohne Schatten*), is chief producer. There have been obstacles to the renewal, chief among them the familiar shortage of money (feelings are sore on the score of a budget for the national company smaller than that allotted to Liège or Antwerp), and the antiquated facilities of the house, which require lengthy periods for the mounting of each production.

The Opera Studio, in which the Monnaie provided theatrical groundings for young professionals, has had to be closed, to general regret. But plans for the future — which include considered thematic groupings of works (this season, two Serious Operas, *Alceste* and *Clemenza di Tito*, of the 18th century), re-examinations of the French repertory (*Cendrillon* and *Louise* in prospect), a careful rebuilding of the popular operatic bases, commissions, and 20th-century investigations—imply a serious and imaginative approach. The current shortage of Belgian and French singers of stature necessitates international casting, of a precise, non-star-hungry kind; the "language problem" — French or Flemish? — in the Janacek operas on which Mortier has his eye, and the lifelong contracts of orchestra and chorus members are local difficulties. The longer view is heartening.

The first four opera productions of Mortier's reign have been *Don Carlos* (four acts, in Italian), *Wozzeck*, *Tosca*, and *Luisa Miller*, all much admired. So it was with hopes high that I went along to the opening last week of the fifth, the Paris version of *Alceste* conducted by Kenneth Montgomery, with Sylvia Sass in Gluck's great and glorious title-role. A clear distinction has to be made in one's response: for though the production by Ekkehard Grübler was insensitive, unintelligent, and unmusical — in short, a disgrace that made a passionate Gluckian anxious to meet Mr Grübler in a dark alley — it was the sort of producer's folly that is to be encountered in any leading opera house today; within the strangulating limits decreed by the *mise-en-scène*, the performance attained a wholly respectable level. Mr Montgomery's conduct of the opera was soft and comfortable, lacking sacred fire and classical spaciousness; but the work of orchestra (good wind section) and chorus took out reports of the exhaustive periods of preparation they have been undergoing. The theatre, a larger Opéra-Comique, is beautiful; the pleasures it afforded were incidental but not irrelevant.

When, early during the overture, the curtains parted to disgorge three ballerina Fates posturing with scarlet capes, one began to fear the worst; and when, at Gluck's choral irruption into the end of the overture, "*Dieux, rendez-nous notre roi, notre pere*," one of the mighty strokes of music-drama by any reckoning, the curtains failed to rise to show the chorus (they did so a page or so later), it was clear what we were in for. The performance was the sum of mindless-cosmetic applications worked up, it seemed, with the express intention of obscuring all that is special and important about the opera—its grandeur of form and thought, its blinding flashes of emotional and psychological perception. This was Gluck produced by someone who believed him boring—the certain route to making him just that.

So the High Priest left the stage in the middle of his ludicrous invocations. Alceste keeled over in a faint after her great moment of decision. The dance music was excised, and Béjart-type clumpings cluttered the action in the temple rituals. The stage, draped in modish black, kept the chorus on two flights of stadium-type steps (which at least ensured their presence, unlike recently at Covent Garden, for the full length of the second act). During "Parez vos fronts" Alceste's children, got up like the rest in pseudo-Velazquez apparel, danced a coy little minuet. When, during the final chorus, Admetus was reclaimed for death by those three Fates, the nadir of nonsense was neatly marked.

The inevitable and constant by-product of the evening was the reminder of the miracle jointly worked last year at Covent Garden by Janet Baker and Charles Mackerras; also to make one wonder whether John Copley's essentially musical production hadn't been underpraised. More positively, the Brussels production supplied, in the form of the tall, handsome East German tenor Eberhard Büchner, an Admetus whose French was rough but very clear, whose not large voice rose easily and truly to the heights of the line, and whose presence was sharply defined.

The spectator's sympathies, indeed, were worked an unusual way round: for the king was a live and communicative character, whereas the queen paraded around the stage in Miss Sass's now familiarly somnambulistic manner, arm crooked across her chest, eyes bent vacantly on distant horizons, the long hair artfully swept back in moments of high drama. The soprano seemed in more nicely controlled (and less Callas-imitative) voice than when last heard at Covent Garden—and, a true soprano, unlike Janet Baker's mezzo, it suited much of the role, if not fully its heroic utterances: much of the phrasing was shapely. But the unintelligible French meant that, like the impersonation, hers was an abstract, and abstracted, manner of singing; the warmth, depth, and emotional variousness of Alceste's portrayal were nowhere to be had. Perhaps, in such a production, that would have been too much to hope for from whoever undertook the role; but is it now too late for someone to take hold of such a wayward, richly talented performer and shake some red-blooded vitality out of her?

. . . and on Opera North's Nabucco revived in Manchester

To Manchester, to discover how Opera North, a company now fully at ease in its medium-sized Leeds home, has learned to adapt to the refurbished larger Palace. The latest Opera North season there, five performances in all, includes a new *Manon Lescaut* and a Britten *Dream*, newly borrowed from the Welsh National (of both of which more on Monday). It began with Verdi, surging out with rude, unstoppable splendour into the wider spaces (the Palace, a London Coliseum sibling, gilt and mauve and heavily encrusted with exotica, looks itself somewhat like an *Aida* set of a currently unfashionable kind that one mightn't mind seeing again).

When *Nabucco* was new, a season ago, Arthur Jacobs praised it on this page. I liked Steven Pimlott's interventionist production style, thrust out in insistent spotlight, jam-packed with assertive theatrical cliché (much of it drawn from the most recent operatic modishness), rather less than he did. But, brightly conducted by Clive Timms, who only needs to learn how to "breathe" with his singers rather than occasionally clipping their phrases, and handsomely sung by a chorus small in numbers but sharp in attack, the production drew unarguable conviction from its participants, and that is always hard to dispraise. The problems of balance noted when the Royal Opera gave the opening season at the Palace last year may well expose themselves again during *The Dream*; early Verdi came across, on Tuesday at gust, if not gale, force.

That was despite some alarms and excursions on the way; for Pauline Tinsley, Abigail, was from the first quite evidently unwell — the timbres were clouded, top notes scraggy — and at the close of a brave but increasingly anxious-making Act 2 first scene fell to the floor in a faint. After a short announcement of her indisposition and a pause, the show went on, and the soprano went on with it, actually improving in vocal form, managing even some clean, glittering lines in the duet. While the performance could only suggest how powerful this Abigail must still be in full health, of the singer's courage and professionalism it gave a magnificently clear example.

I have not encountered Norman Bailey in the title role for a long while (since, to be exact, the mid-sixties in Johannesburg). That was before the full thrust of an international career, and many Hans Sachses and Wotans. The voice no longer commands a properly Verdian tonal focus or ease of projection, and so the big fourth act aria was a struggle, though one manfully mastered. Yet in terms of presence—the factors imponderable and unanalysable that make Mr Bailey such an authoritative stage figure—he held the attention at every moment.

Robert Ferguson's Ishmael was urgent but unsteady. Anne Mason's Fenena attractive but not yet ripe; John Tranter secured a firm grasp of the great bass role without quite banishing an air of English reserve. Except in the delivery of the two principals, the Italian language received from an all-British cast sadly coarse treatment. *Nabucco* by the powerful forces of its music alone, can stir an audience; but the vigorous rough-hewn intelligence of its drama deserves the fuller appreciation of an Opera North audience than the company here allowed it.

Saleroom

Silver record

A pair of William III silver gilt ewers and a basin, pictured here, sold for £226,800 at Christie's yesterday to Aspreys. It was a record price for a lot of English silver. The set was made by Benjamin Pyne in 1699 and the price was way above forecast. Another very high price was the £172,800, also paid by Aspreys, for a Queen Anne toilet service by Colin McKenzie of Edinburgh, 1703. The auction was very successful, totalling £714,873 with just 4 per cent bought in.

Another sector returning to popularity was paintings of Middle East interest. At Sotheby's "Spoliation d'un juif" by the Italian artist Filippo Baratti went for £37,000, plus premium, while "The interior of the mosque" by the Aystrian artist Rudolp Ernst realised £38,000 to the Mathaf Gallery. Both prices doubled their estimates.

ANTONY THORNCROFT

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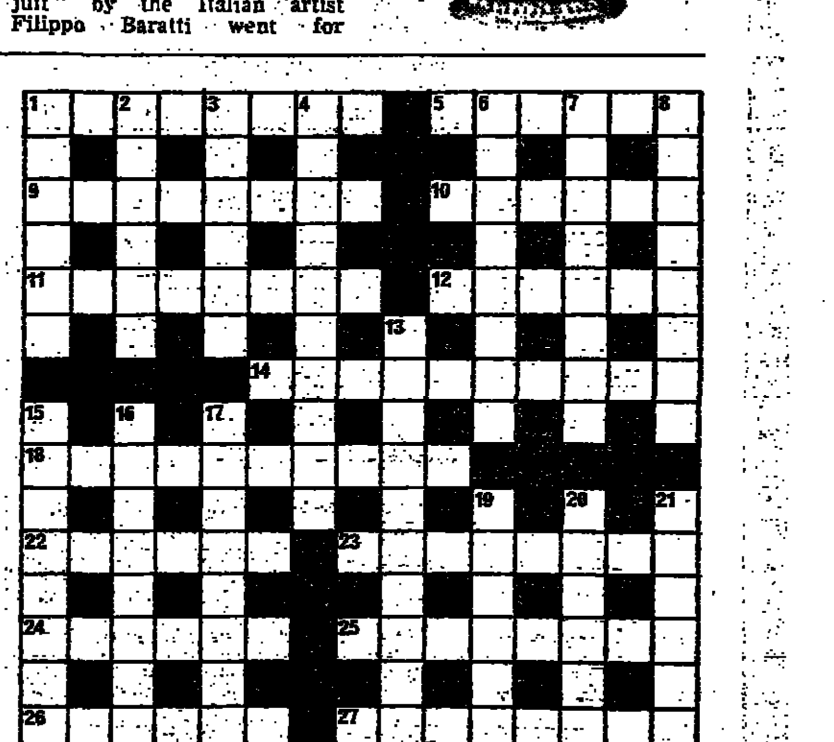


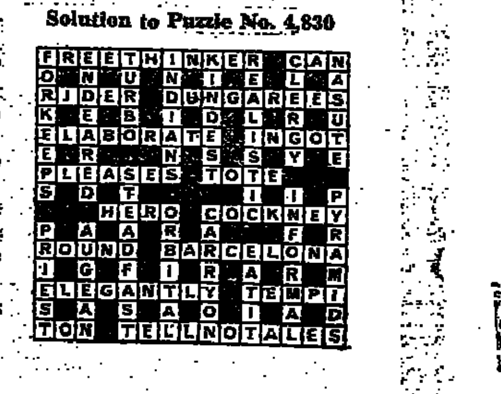
ACROSS

1 Drake's home, getting no score on Atlantic (4-4)
5 Lower the 15 average? (6)
9 In which capacity bishop is taken (8)
10 He is the third one in the grammar-school (6)
11 Man stood trembling to see the jumbo lost for good (8)
12 Guides to cowboy's charges (6)
14 One licensed to serve culver-tail, minced? (10)
18 Those present at the gate? (10)
22 Stout carrier (6)
23 USA poles apart—union needed (8)
24 Morish musical? (6)
25 Pluto, region to confuse the mind (8)
26 Ml. such as we are told, from Arabia (6)
27 Rugby players in rank self-regulated (8)

DOWN

1 Moist round East End, make off! (6)
2 There is much popping behind it at Lord's (6)
3 One among the sheep is, to regulate them (6)
4 Italian living to disprove the proverb? (10)
6 Final tune "Vale" arranged (8)
7 Spring festival extremely likely to give us wind (8)
8 Sunrise in wild Norse setting—they do not soak it up (3-5)
13 No movement of merchandise? (5-5)
15 Noted 24-hour race-track? (8)
16 That part of Scotland said to be tender... (8)
17 ... and what is attracted to the capital? (8)
19 Snob to arrange somewhere to live in America? (6)
20 Rank condition of some property? (6)
21 Horseshoes for prized races (6)

Solution to Puzzle No. 4,830



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Thursday March 25 1982

Mr Brezhnev's olive branch

THREE QUESTIONS pose themselves in the aftermath of Soviet President Leonid Brezhnev's call for better relations between his country and the other Communist superpower, China.

The first is: does he mean it? The second, assuming that the answer to the first is Yes, is: how will China respond? And the third: what would be the implications for the West of a detente between Russia and China after two decades of cold war and would this be a welcome development?

It would be tempting to dismiss yesterday's initiative as propaganda—like Mr Brezhnev's recent, empty offer on nuclear disengagement in Europe, merely the efforts of an ageing Czar making sure of his place in history as a peace-maker.

It would be equally tempting to see it as a crude, tactical ploy aimed primarily at exploiting the rift between China and the U.S. over Taiwan.

There have been 10 years of steadily improving relations since the euphoric days of the Shanghai communique, signed in 1972 by Richard Nixon and the late Chou-En-lai normalising relations between China and the U.S. These now hang in the balance.

Mr John Holdridge, the U.S. Assistant Secretary of State for East Asian Affairs, is due in Peking soon with a new American formula on the vexed question of American arms sales to Taiwan. Mr Brezhnev's timing is perfect.

Reconciliation

The Brezhnev offer to China is, nevertheless, the most explicitly stated proposal of its kind since hostility between the two countries erupted into open warfare on the Ussuri river in 1969.

It follows a Soviet offer to reopen limited border trade between them. Recently China sent three top economic experts to Moscow in a further sign that tension may be easing.

Since the demise of the Gang of Four in China and the advent of pragmatism, the ideological barriers to a reconciliation between Moscow and Peking are no longer insurmountable.

The Chinese, or at least some Chinese, may be tempted to interpret the offer as a sign of weakness. The Russian empire is under increasing pressure, in Poland, in Afghanistan and, closer to home, on the economic front. A strategic alliance between Peking and Washington would encircle the Soviet Union.

Mr Brezhnev may have concluded, they will argue, that fighting everyone at the same time is beyond the capacity even of the world's premier ideological power.

This lobby, which has its doubts about China's drift towards a strategic alliance with the U.S., will press for a favourable, if cautious, response.

Deng Xiaoping, China's leader and the man largely responsible for the pro-American policy, has come under fire for his unbridled enthusiasm in pursuing approchement with the U.S. Whatever the outcome of the Taiwan issue a more luke-warm approach towards the U.S. now seems on the cards anyway.

Benefits

This may be accompanied, quite independently, with a slow, almost imperceptible thaw in relations with Moscow. A dramatic improvement in relations, however, let alone a return to the comradeship of the 1950s, is out of the question.

What does all this mean for the West? China's break with the Soviet Union in 1960 brought substantial, if indirect, benefits to the West. Nearly a quarter of Soviet ground forces—about 50 divisions—are tied down in the Far East defending the 4,000-mile border with China.

China's battle for influence with the Russians in south-east Asia, has induced Peking to pursue a relatively peaceful policy in the area encouraging the economic prosperity of the region; this, in turn, has helped the industrialised world cope with the worst of the recession.

But these are dangerous arguments. Both countries have diverted badly needed resources to bolstering their respective frontiers. Fear has bred insecurity. This, in turn, could eventually lead to war. A better relationship between China and the Soviet Union would be welcome and need not be at the expense of Peking's ties with the U.S. That would be the best of both worlds.

Transport for Londoners

IN THE three-and-a-half months since the House of Lords judgment on the transport policy of the Greater London Council, the Government has done nothing to clarify the powers of local authorities to provide subsidised urban transport services. In London, where special legislation applies, fares were doubled this week, and the fall in passenger use has been such that there is already talk of a further increase of 25 per cent. In other areas subsidy persits, though in a haze of legal doubt.

This is a highly unsatisfactory situation, which is in no way improved by repeated declarations from the responsible Minister, Mr David Howell, that the GLC is the author of its own woes; that London Transport might be more efficient; or that the £250m provided by the Government for London Transport is "a lot of money." In some contexts £100,000 is a lot of money; in others, £1bn is not very much. We therefore welcome the short Bill introduced by Mr Douglas Jay to amend the drafting of the 1969 legislation governing London in order to restore the meaning intended by Parliament—that the GLC can provide a subsidy out of the rates.

Necessary

We do not argue that this is an ideal policy, though we have repeatedly urged that substantial subsidies are a necessary element in urban traffic management. It is, however, a clear policy, and should like other legislation rule until the Government decides what to put in its place.

We hope, therefore, that there are enough Conservative MPs with open minds to give this Bill a chance of passage when it comes up for second reading next month.

Top people's pay

THE EFFECTS of past pay policies live on in at least one area—the salaries of chairmen and directors of nationalised industries. In April of last year the Prime Minister announced that these salaries would be freed from rigid controls and would be fixed according to "managerial and market considerations." There was, however, a let-out clause; the "general economic situation" would also be taken into account. There had been suggestions from within the industries that increases of 20 per cent or more would be appropriate, in order to bring pay rates into line with comparable private sector jobs. In the event most of the people concerned received increases of around 7 per cent; this was confirmed by the Government yesterday.

Illogical

Since there has been no great rush by nationalised industry chairmen to join the private sector, one may assume that the Government is paying enough to keep them. Moreover, after all the complaints about nationalised industry prices, a general jacking-up of salaries has been simply not feasible in political terms. Nevertheless, the present arrangements are illogical and not conducive to efficiency.

Because salaries at board level are government-controlled, the corporations are sometimes unable to recruit board members of the calibre they need; they cannot pay the market price. The result is that salaries below board level are often higher than those of board members and successful executives are reluctant to accept board appointments. This makes for unnecessary anomalies and deprives the public sector of the talent it badly needs. The Government should move gradually to a market-related system, starting with new apopintments.

The "headroom" problem is a genuine one. In the review now getting under way of 1982 pay increases the Government should be prepared to be flexible about existing directors' salaries. At the same time Ministers should, wherever possible, relate pay to performance. The Government could kill two birds with one stone by defining objectives more precisely and basing remuneration on whether or not they are achieved.

TREATY OF ROME 25 YEARS ON

Rougher still, and rougher

By John Wyles, Common Market Correspondent

WHEN THE Treaty of Rome was signed 25 years ago today, Paul Henri Spaak, the then Belgian Prime Minister, declared "we are all living through a great moment in the history of Europe."

A generation later, the fruit of this "great moment" is a European Community whose authority ranges from external commercial relations to nuclear fusion research. But its heart and its purse are still rather more devoted to the Common Agricultural Policy than to fulfilling the vision which M Spaak and his co-signatories shared on that damp March day in Rome in 1957.

Their hope was to bury for all time the possibility of new conflagrations in Europe being ignited either by German nationalism or Franco-German hostility. Economic integration was to carry Western Europe on towards political union. The Treaty of Rome was to be the route map.

Twenty-five years later, Franco-German reconciliation and West German political and economic recovery have been secured, if not for all time, at least for the forseeable future. But the path to economic integration and political union has proved very rocky. More than ever it seems an association of closely cooperating governments which have surrendered some autonomy and sovereignty and are not looking to surrender much more.

Practitioners in the Community offer at least two contrasting views as to its current condition. "If you take the necessary historical perspective," says one senior diplomat, "you can see that the Community is tackling more and more problems and with increasing effect." From energy policy to relations with the Japanese, this school of opinion argues that the Community is steadily proving its worth and necessity to its member states. The contrary view reflects the depression and sense of burden caused by the EEC's prolonged failure to resolve basic questions over the future of the Common Agricultural Policy and the budget.

M Gaston Thorn, the Commission President is heavily infected with this kind of angst.

There is less of a sense of achievement in Brussels these days because member Governments' ambitions for the Community seem to have sadly dwindled. In October 1972 the Paris summit breezily aimed for economic and monetary union as well as European Union by 1980. The European Council in London last November merely "recognised the importance of strengening economic integration in parallel with political development."

The contrast between Paris 1972 and London 1981 tells us a great deal. Ten years ago, the UK, Denmark and Ireland were about to join a Community which had fired on six cylinders with increasing success. Since 1960 the average annual growth in Gross Domestic Product for the Six had been 5 per cent while their industrial production had risen by 5.6 per cent a year and private consumption by 5 per cent.

How much of this unprecedented surge of prosperity was due to the creation of the Common Market and how much was attributable to the global post-war economic recovery remains uncertain.

The least that can be said is that the creation by 1968 of the customs union and the elimination of internal tariff barriers among the Six put them in a strong position to exploit the economically balmy conditions of the 1960s. Trade between them boomed, rising from 30.1 per cent of their exports in 1958 to 49.8 per cent in 1972.

When Edward Heath arrived at the Paris summit in October 1972 with British ascension less than three months away he firmly believed that the enlarged European market would provide both the opportunities and the competitive stimulus that British industry needed. Politically, moreover Europe was the "home" that Britain needed. For a short but heady period, it seemed possible that British entry would actually be the launching pad for full European integration.

The Paris summit represented the final flowering of Community idealism which undoubtedly owed much to the chemistry between Mr Heath, Georges Pompidou, the French President, and Willy Brandt the West German Chancellor. In less than two years M Pompidou was dead and Mr Heath and Herr Brandt were out of office. Economic and monetary union was given a quiet burial in December 1974 by more pragmatic leaders whose vision was increasingly clouded by the first instalment of a very bad economic cycle which has since rationed the Community's average annual growth to 2 per cent a year, the rise in industrial production to 1.14 per cent and pushed up its unemployed from 2.5 to more than 9 per cent of the workforce.

After Paris 1972 the story of the rest of the decade should have been growing convergence of economic policy and performance between member states coinciding with a centralisation of monetary and credit policies, the creation of a Community capital market, and the steady development at Community level of decisions affecting the size and distribution of national budgets.

Regional and social policies, meanwhile, were due to rival agriculture as a spending priority in the Community's budget.

Notwithstanding the creation of the European Monetary System in March, 1979, the record of the 1970s was dismal, particularly when set against the Paris summit's objectives.

Moreover, as the tide of enthusiasm for new Community policies and priorities has receded, so the British problem has stood out like a shipwreck at low tide. With perfect hindsight some British officials now concede that the UK made a major mistake in the 1970-71 accession negotiations in not fighting for changes to the Common Agricultural Policy.

It was recognised then, as it is clear now, that as long as the CAP dominated the Community's activities and its spending policies, then the UK's payments to the Community budget would be disproportionately large. Edward Heath hoped in 1972, forlornly as it turned out, that within eight years Britain would be pocketing sufficiently large amounts of money from the regional development fund to offset the burden of agricultural financing.

Mrs Margaret Thatcher's campaign for major cuts in Britain's budget contribution has been accused of damaging "Community spirit" and certain unspecified, but deep seated, values. Although less imaginative and certainly less theatrical, Britain's approach to the Community does not differ radically from that of France, nor of other member governments.

In both cases, the protection and enhancement of national interests are paramount. The only difference is that French politicians will keep on mouthing the Community's credo even when they are planting a bomb in its churchyard while the British will not. In fact, the British campaign on the budget has photographed the Community in an unflattering posture which will greatly interest future historians. Under the temporary "mandate" agreement of May 1980, the Ten should by now have defined new policies for dealing with the industrial and economic crisis together with reforms of the CAP to make it less expensive. There should also have been further special limits on the UK's budget payments.

But the whole exercise has revealed that a largely unreformed CAP will remain the Community's axis because it enables all member states but Britain and Germany to draw up to £400m a year from the EEC budget. Meanwhile, the draft "mandate" agreement on new policies reveals that member states have remarkably few ideas and ambitions for the Community's future development.

Moreover, the policies will only emerge as and when governments agree, not through any transfers of greater authority and competence to Brussels. Spending initiatives will only be possible as and when agriculture's share of the budget is contained.

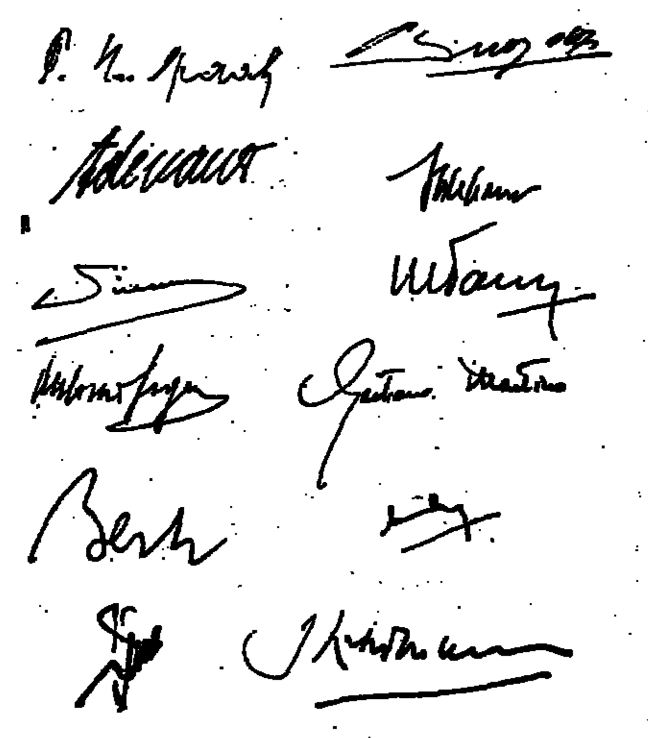
The mandate negotiations in general and the ever present British budget argument in particular, also highlighted the immense difficulty which the Community suffers in reaching agreements on key issues. Lord Carrington, an indisputably pro-EEC British Foreign Secretary, complained to the European Parliament last December about the impossibility of agreement when common will is lacking. The present requirement for unanimity in the Council of Ministers puts too much blocking power in the hands of governments taking minority positions for reasons ranging from genuine national interest to a search for temporary tactical advantage on unrelated issues.

If supranationalism is dead, the Community is none the less an association of Governments operating at an almost unique level of co-operation and joint endeavour. Some observers doubt, however, that in the absence of clear blueprints for "building Europe" the ties that bind them together will be strong enough to withstand the buffeting of prolonged recession with its constant threat of protectionism.

External policies both commercial and political have been the great and rather undervalued achievement of the 1970s. The development of political cooperation has given the Community both a greater sense of its own identity and a stronger profile in international organisations and in dealing with the two superpowers. If the Community collapsed tomorrow, one feels that political co-operation would continue. Collapse, however, is unlikely, if not unthinkable. Encouragingly, there have rarely been more ideas and proposals in circulation than there are now for revitalising the Community.

Significantly, most activity on this front is to be found in the European Parliament whose powerlessness remains an insult to elective democracy but whose election through universal suffrage in 1979 must also rate as an important achievement.

Thus, 25 years later, the word most associated with the Community is crisis. The Parliament's struggle for power is bound to spark a crisis in its relations with the Council of Ministers. Enlargement of the Community and the exhaustion of its budget revenues is likely to plunge everyone into crisis. The widening gap between high and low inflation rates could cause a major crisis for both the European Monetary System and the CAP. There will be no shortage of crises for the Community over the next few years and therefore plenty of testing for the notion that it is crisis which cements Europe together and crisis which carries it forward.



The signing of the Treaty of Rome in 1957 (top) and below the signatures of representatives of the Six: for Belgium, Mr Paul Henri Spaak and Baron J. Ch. Snoy et d'Oppuers; for Germany, Dr Konrad Adenauer and Prof Walter Hallstein; for France, M Christian Pineau and M Maurice Faure; for Italy, Sig Antonio Segni and Prof Gaetano Martino; for Luxembourg, Mr Joseph Bech and Mr Lambert Schaus; for the Netherlands, Mr Joseph Luns and Mr J. Linthorst Homan.

Men & Matters

Coates trails

Reflecting ruefully on the failure of his management buy-out bid, Ian Coates yesterday cleared his managing director's desk at Guthrie Corporation's new Gracechurch Street offices.

Guthrie moved into the premises last August just as Coates was completing a £38m deal to buy Page Airways in the U.S. It was his last big independent move for within a month the Malaysian Government-owned investment company, Pernas, had scooped up the plantations group in a breathtaking £282.5m raid.

Since Coates had fought so hard in the preceding two years to keep the Malaysian plantation and trading group Sime Darby, and any other predators, real or imagined, at bay, it is surprising he stayed on so long.

As he said of Guthrie's new owners: "They didn't like me and I don't much like them."

That, he feels, was a principal reason for the failure of his efforts in the interim to buy out a sizeable bundle of Guthrie's non-plantation interests. The package which he had put together with Cazenove and Guthrie's merchant bank, Baring Brothers, would have included a big stake in Stoddard Carpets and Angus Fire Armour acquired from Dunlop for £20.5m some 18 months ago.

Leaving merchant bankers, Jock Green-Armitage of N. M. Rothschild to run the whole show, Coates is taking a good holiday with enough compensation, he says, "to keep the wolf, two legs from the door."

What next? Coates admits having a "low threshold of boredom" but he would like "to take something trivial and make it interesting."

"We aren't going as a gunboat — the Argentinians have just bought us for scrap!"

Indira's show

For someone who came back fro mpolitical oblivion two years ago to become, once again, the unquestioned leader of her country, Indira Gandhi remains curiously sensitive about her image.

She clearly regards the Festival of India—which she opened on oMnday and has frequented since—as the perfect backdrop for her attempts to win the approval of those who still remember the excesses of her three-year emergency

But a Press conference serves almost as well—as she showed in a vintage performance of charm and evasion at Millbank yesterday.

Patting her shock of write hair, Mrs Gandhi informed reporters that there was a "very well cultivated . . . rumour" about that she held a grudge against the Press. Not so, she assured them sweetly. "We have taken it as part of life."

She was anxious to re-establish her reputation as a good democrat. Democracy, she said in another unsolicited aside, was the only answer for India, and she "couldn't understand" why anyone should have misgivings about the future.

Though risking an argument about the Russian presence in Afghanistan — not an "invasion" but an "invitation" — Mrs Gandhi seemed bent throughout on making friends and influencing people.

With the exception, that is, of the man from the Indian Express, the Bombay-based newspaper which has been campaigning vigorously against the Prime Minister

In one recent case, A. N. Antulay, her powerful chief minister in the state of Maharashtra, was forced to resign after the newspaper's disclosure that he had been involved in a major cement scandal. Mrs Gandhi at first defended him, but finally, and to her great ebmarrassment, had to let him go.

Yesterday she singled the newspaper out as the only one that had decried the Festival. The Indian Express correspondent jumped to his feet to deny the charge, saying that he had filed several stories describing it as "the greatest show on earth."

"Ah," Mrs Gandhi retorted, "but have your stories been used?" Laughter — and advantage PM.

Off quay

"There's never been a ship quite like her," trumpets Norwegian Caribbean Lines proudly in its latest luxury cruise brochure. This is true in more ways than one of the ship in question, the massive Norway, now preparing to leave the sticky Caribbean climate for a spell in a German dry dock after a fire in its boiler room.

The history of the world's biggest passenger liner, which first sailed as the France, has been an uncomfortably chequered one. From the French Line, its ownership passed to a Saudi Arabian businessman who had the grandiose idea of turning it into a combined hotel, casino, and centre of French culture.

When this dream faded, NCL dipped into its purse for nearly $100m to buy and refit the ship, sending it on a maiden Atlantic cruise nearly two years ago. Since then it has run the gamut of failed health inspections, electrical and mechanical breakdowns that left it adrift for a day at a time, and a boiler room fire last December as passengers were about to board for a post-Christmas cruise in the sun.

It is small comfort to NCL that the accident-prone Norway was going to dry dock anyway. Because of the fire last Friday, it will now sail to Bremerhaven six weeks early and seven cruises will have to be cancelled.

African jackpot

Sandy Marshall (remember when he was on the bridge of the good ship P&O?) has found a pot of money in an unexpected quarter and is delighted with his luck.

Now chairman of Bestobell, the international controls, aviation, and energy engineering group, he has received the first dividend to be remitted from the group's Zimbabwe division in the last 22 years. The 500-employee operation there has sent £244,000 for 1981 to the grateful parent. It is a useful contribution to the group's total pre-tax profit of £8.4m—which is almost 10 per cent up on the previous year.

Zimbabwe sales now account for half Bestobell's African operation. Marshall tempers his optimism with Scottish caution when he says, "It is a good place to trade. I just hope they play it cool there."

Observer

How to increase wealth and curtail poverty

In his new book 'Wealth and Poverty' George Gilder provides a fresh and illuminating study of this problem which is perhaps the most critical problem of contemporary society. He argues that we have been misled by popular economic theory and by cultural attitudes in general into doing precisely the opposite.

Areas discussed in the book include:
—how misguided policy has undermined the true source of wealth.
—how efforts at achieving a so-called 'just' redistribution of wealth only serve to keep the poor in poverty and
—how the essence of capitalism is not greed but giving.

Wealth and Poverty, already the focus of excited debate, is destined to become the cause of serious rethinking for years to come and provides a timely moral for British industry.

George Gilder, program director of the International Center for Economic Policy Studies in Manhattan and chairman of the Economic Round Table at the Lehrman Institute has produced this revised and updated edition of the book for the UK following its enormous success in America.

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ECONOMIC VIEWPOINT

Getting the U.S. off the hook

By Samuel Brittan

ONE WAY or another, U.S. interest rates are going to come down. Prime lending rates of 16 per cent plus make no sense against an American inflation rate now probably down to 6 per cent. Real U.S. interest rates are high, whatever allowances are made for tax distortions or world-wide capital shortages.

Most of the suggested explanations of present rates are less than fully convincing. Although Americans are extremely worried about the trend of the Federal deficit, it is still only 3 per cent of the national product and it is difficult to believe that the resulting demand for credit has been sufficient to bid up real interest rates to 10 per cent.

It is therefore a reasonable prediction that if interest rates do not drop of their own accord, with the Fed's present money supply targets, then the targets will give way. This will be due in only a very small way to European and Japanese pressure. Even pressure from President Reagan will be only part of the explanation. The main reason is that the Fed itself will not sit idly by while talk of a depression gathers momentum. Only if there is a much stronger recovery from recession than anything now in prospect will Paul Volcker and his colleagues be content to continue to target money supply alone and leave interest rates to benign neglect.

Yet it would be nothing short of a tragedy if all the painfully won counter-inflationary gains of the last few years were thrown to the winds and the Fed reverted to a short-term, so-called fine tuning, approach geared to the immediate state of output and employment. Nor will the Fed find it easy to mask a retreat to more rapid monetary expansion by adjusting definitions and targets as the British ... Budget "Red Book" did.

The one chance of salvaging something from the present confusion would be if the American authorities realised that the dollar is no longer only, or even mainly, a domestic currency and that monetary targets must be set on a more global basis.

The theoretical basis for a change of approach has long been proclaimed by Prof Ronald McKinnon who works in a building a couple of hundred yards away from Milton Friedman's on the Stanford campus. McKinnon's basic point is that the Fed has been wrong to concentrate on the U.S. money supply instead of the world's. It should attempt instead to stabilise the total supply of the main currencies which compete for a place in the portfolios of private and official holders of funds throughout the world. Overwhelmingly the most important of these are the dollar, the yen and the mark.

Whatever may be said of the stability of the domestic demand for money in relation to the national income, the international demand is anything but stable for any of the main currencies taken alone. Prof McKinnon has calculated that the "world" money stock has been a better guide not merely to average world inflation rates, but even to the American domestic one, than the U.S. domestic monetary stock.

As Table 1 shows, while the U.S. money supply has been increasing at a gradually declining rate, according to the well-known Friedmanite principles, the Japanese and German money supply growth has plunged from double digit rates to a snail's pace. Japan registered negative growth in 1980 and Switzerland in all of the past three years.

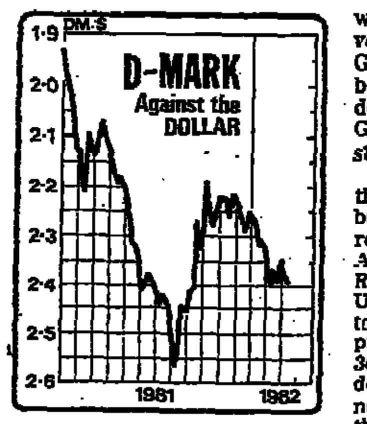
The *Exchange Rate Outlook* published by the Gower Press uses much broader definitions, including all deposit accounts, analogous to Sterling M3. Predictably all the numbers come out higher. If, however, German and Japanese money supplies are calculated relative to their post-1973 rates of growth, they are in each case nearly 17 per cent below trend.

As a final check, look at the movement of world prices shown in the other table. Inflation rates have everywhere passed the peak associated with the 1979-80 oil price shock and are now well into single figures and falling rapidly. The drop in oil and some other commodity prices is not an independent influence but associated with a declining growth of monetary demand and the prolongation of the 1980-81 world recession.

How has this shrinkage in the growth of "world" money occurred? The basic answer is that U.S. monetary policy is conducted with mainly domestic goals in mind; and changes in the *dollar exchange rate do not* affect the monetary targets being pursued. On the other hand European and perhaps Japanese monetary policies are profoundly modified by exchange rate goals.

Germany, for instance, was for a very long time anxious to stop the mark falling too far against the dollar because of the effect on domestic inflation.

> The one chance of salvaging something from the present confusion ... if the American authorities realised the dollar is no longer only a domestic currency and that monetary targets must be set on a more global basis



The UK has operated an undisclosed effective target band around 90 on the trade-weighted sterling average. (In an unusual role reversal, the Bank of England tried unsuccessfully before the Budget to persuade Ministers to *disclose* the undisclosed.)

European Governments will therefore often increase interest rates to prevent their exchange rates falling and reduce them to dampen appreciation, irrespective of the effects on domestic monetary aggregates. The net result is that when the dollar is strong, the other major world financial powers will restrict their monetary growth — and therefore that of the world money stock, and add to deflationary influences. When the dollar is weak they will boost their monetary growth and add to world-wide inflationary influences.

These influences are partly a matter of conscious policy; but they also arise from the technicalities of intervention. U.S. monetary growth is pretty effectively insulated from world influence. On the other hand when the Bundesbank intervenes to buy dollars the German money supply is boosted and when it sells dollars to protect the mark, the German money supply is constricted.

Few Americans yet appreciate the role of the rising dollar both in intensifying the U.S. recession and in reducing American inflation. *Exchange Rate Outlook* figures suggest U.S. wholesale prices, relative to other countries and expressed in dollars, are nearly 30 *per cent above trend* — a deterioration in competitiveness nearly as great as that affecting the UK at the peak of sterling's at the beginning of 1981 when the CBI nearly marched on Downing Street.

The orthodox suggestion is that European countries should show less preoccupation with their dollar exchange rates and thereby regain freedom in domestic monetary policy. Recent reductions in German interest rates, in the face of a falling mark against the dollar, suggest that at least a modest "declaration of independence" has been made. Nevertheless, in open and medium-sized economies the exchange rate is such a predominant direct influence on inflation if it goes too low, and on competitiveness if it goes too high, that it is never going to be ignored for very long.

Prof McKinnon's main proposal is to instruct the U.S., German and Japanese central banks to operate a combined target for the sum of their total money supplies—say 6 per cent if M1 is the measure chosen. A combined target for the three currencies together would be easier for the central banks to follow than individual national targets, as the ebb and flow of international demand for the different currencies would offset each other.

How would monetary growth be adjusted between the three centres? There are many technical possibilities. Prof McKinnon's main stress is on ending the sterilisation of the U.S. money supply from foreign influences. If the Bundesbank sells dollars to support the Mark, "high-powered" dollars would pass to the U.S. banking system and the German banking system would lose reserves. Thus the U.S. "monetary base" would expand and the German one contract, whereas today only the latter occurs.

Eventually the three main financial centres would have to develop a common view of the exchange rate objectives governing intervention policy. Certain mechanical changes might also be required, such as a shift in the active elements of German dollar reserves from Treasury bills and bonds to a checking account at the Fed.

The arrangement could be operated informally between a handful of capitals without complex negotiations. Indeed, even without any international reform, the Fed could announce tomorrow that it was taking into account the growth of the money supply in other main centres, and not just U.S. developments, in its own open market operations.

The McKinnon approach should not be regarded as a recipe for putting the world's money on an automatic pilot. Financial innovation of the kind which has made sterling M3 so misleading could still occur in any of the participating countries. A close monitoring of Money GDP in the participating countries, or the industrial world as a whole, and shifts in their relations to the monetary aggregates, would still be necessary.

No amount of monetary or fiscal manipulation will overcome the real forces which have doubled unemployment in the industrial world in the last 10 years. As Professor R. J. Ball explains, patiently and in detail, in a new book*, the idea that either world or national growth could be permanently stimulated by "reflation" is wishful thinking. It ignores the extremely disappointing supply response which has caused all the demand-boosting exercises of the last decade to be dissipated in higher wages and prices.

The better management of world and national monetary *demand can at most reduce the* upswings and downswings of output and employment around the underlying trend and provide for steadier progress towards price stability. These modest goals are well worth pursuing.

*Money and Employment, by R. J. Ball, published by Macmillan Press, price £15 hard cover, £5.95 paper back.

Table 1

WORLD MONEY GROWTH
M1 IMF Definitions
% change between year ends

	U.S.	Japan	Germany
1977	8.8	8.2	12.7
1978	7.3	13.4	14.0
1979	6.0	3.0	2.0
1980	5.3	−2.1	4.1
1981*	5	3	2

* Approximate — Source: IMF

TABLE 2

INFLATION DECLINES
Per cent annual increases in consumer price indices

	U.S.	Japan	Germany	UK	Seven main OECD countries
1979	11.3	3.6	4.1	13.4	9.3
1980	13.5	8.0	5.5	18.0	12.2
1981	10.4	4.9	5.9	11.9	10.0
1982 (Jan.)	8.4	3.3	6.3	12.0	8.9
1982 (Jan.) (last six months at annual rate, approx.)	6	3	5½	9	9

Lombard

Caution can be overdone

By Peter Montagnon

STEERING the right path between greed and caution has always been one of the most exacting tasks faced by international bankers.

In the good old days, before the welter of debt problems in countries like Poland, Romania and Costa Rica, greed was aroused by the mouth watering prospect of booking more and more new business.

Banks which booked the most foreign assets could bask in the spotlight of international prestige, restrained only by caution about putting too many eggs in one basket.

Now, in the aftermath of the Polish debt problems all this has changed. Banks have become much more worried about how much they are actually earning from all these foreign loans. Appetite for business has been replaced by appetite for profits. Caution has become much more fashionable than before.

Yet so many banks—and governments—apparently fail to realise that caution, if overdone, is just as dangerous as the old policy of reckless expansion. Refusing to lend to a sound borrower, just because its neighbouring country is bankrupt, can quickly jeopardise all the good loans that have gone before.

Squeeze

This is precisely what is happening in Eastern Europe, where even Hungary with a relatively westernised and efficient economy is now caught in a perilous financial squeeze. Not only have new loans dried up; *old loans in the form of short-*term credit facilities have been withdrawn on a substantial scale.

One thing is certain if this process of reckless caution continues. The international banking system will end up facing a crisis of far broader proportions than that involving just Polish debt—and it will be an unnecessary crisis, brought on largely by the banks themselves.

Averting such a crisis does not necessarily mean throwing caution to the winds, but it would entail an act of courage by those banks which were prepared to get their perspectives right.

In defiance of the majority who are no longer prepared even to throw good money after good, they would have to stand up publicly and resume lending to better quality East European borrowers.

Such a decision would be made immeasurably easier if Western governments were to resume rescheduling talks with Poland. That could revive confidence in the market for Eastern Europe as a whole, relieving pressure on borrowers who are implicated neither politically nor economically in Poland's affairs.

Unpaid

It is no use arguing, as some U.S. officials do, that refusal to reschedule puts pressure on the Soviet Union to service the Polish debt. The simple fact is that the Russians cannot afford to. All the available evidence suggests that Moscow is scrabbling around for whatever cash it can lay its hands on to meet its own massive requirements.

Similarly Moscow cannot afford to foot the bills of other Eastern European countries either. If the West withdraws wholesale economic support for Comecon then more and more of these bills will remain unpaid.

This means that there can be no resumption of unlimited lending to Eastern Europe, but some lending could resume on the basis of carefully controlled individual credit analysis, bearing in mind that Comecon borrowers no longer bear an implicit Soviet guarantee.

Surely it is prudent banking to continue lending to those borrowers or projects that still stand up to such a careful scrutiny. Moreover banks which do lend could certainly command very handsome terms.

Letters to the Editor

Receivership: capital, management and manufacturing

From Mr L. Wigdor.

Sir,—The events at Stone Platt in recent days illustrate only too clearly the problems experienced by some providers of capital in understanding just exactly what is involved in restoring the fortunes of manufacturing companies. It can take at least three years to restore profitability. Too often there has to be a major change in management and systems. But also the time-consuming slimming-down of the work force and assets with short term effects upon the profit and loss by way of redundancy payments and upon the balance sheet in respect of assets. The benefits can only come later. It is completely unrealistic to expect quick results in turning round a manufacturing company.

Of course it is true that some companies cannot be rescued because either they are not in a potentially prosperous sector; or they do not have the right products or manufacturing assets.

Unfortunately in Britain there is just not the experience of running manufacturing industry among many of the capital market sectors to understand the nature of the gestation period involved, and so they act in a damaging way both to themselves and the shareholders.

At the end of the day these things are a matter of judgment but it really is important that we bring the best experience to to bear. In countries such as Germany, France and the United States there is more experience available among the providers of capital. Resulting from more enlightened education—but that is another story.

Lucien Wigdor.
Wallingford House,
Leas Green, Chislehurst, Kent.

U.S.-Japan air talks

From the Vice-President, Europe and Africa, Japan Air Lines

Sir,—In her story (March 22) regarding the recent U.S.-Japan air talks, Ms Louise Kehoe seems to have confused the U.S. demands with the Japanese demands.

The main issue at the San Francisco talks was the desire of Japan to increase landing rights in the U.S. and to allow Japanese carriers beyond rights to pick up passengers in the U.S. and fly them to further destinations and not the other way round.

U.S. airlines operate 13 routes between the U.S. and Japan. Japan Air Lines, the single Japanese international scheduled carrier, has access to only seven of these; the other six are U.S. monopolies.

Under the current agreement U.S. carriers have unlimited "beyond" traffic rights from Japan to other countries and at present serve some 15 points from Japan. They can compete quite openly with JAL in the Japanese market in selling tickets to these destinations which include, for example, Peking, Hong Kong, and Seoul.

JAL has no similar privileges in the U.S. except for an unusable "beyond" traffic right from New York to Europe which must be routed from Tokyo via San Francisco. This is a wholly uneconomic proposition involving a much longer routeing and, of course, no traffic rights between San Francisco and New York.

As to the article's conclusion, it is absolutely untrue to say that potential "money spinning routes" between South-East Asian countries and the U.S. via Japan are denied to U.S. carriers.

U.S. traffic rights beyond Japan are at present without restriction. If there are any routes between South-East Asia and Japan which lack a U.S. carrier it is either because of a lack of U.S. rights with the other country concerned or because U.S. airlines don't consider the route economically worthwhile.

In any case it is totally misleading to compare U.S. airlines' traffic rights to fly beyond Japan with traffic Japan gains from its own aviation agreements with South-East Asian countries.

Instead, U.S. rights to fly beyond Japan should be compared with Japan's rights to fly beyond the U.S. The U.S. does not make this comparison because their own overwhelming advantage would be seen only too clearly as Japan's rights beyond the U.S. are virtually non-existent. This is one case at least where the Japanese market is demonstrably more open than the U.S.

Hisashi Ito.
12, Great Marlborough Street, W1.

Unemployed school leavers

From Mr J. Francey

Sir,—I was interested to read the further proposals for training unemployed school leavers —"moves to widen plan for young jobless" (March 20). My interest stems from what might well be an unusual circumstance for an FT reader, in that after close on 45 years of continuous employment, more than half of that in senior management, I found myself standing in a labour exchange queue at the unlikely age of 64.

From this unusual vantage point many preconceptions that I had held as a manager were shown to be wrong. All the young people I have observed are of a type whom I should have been happy to interview for office or production work. I may have been fortunate, but it must be stated that I have seen no "unemployable" young person in this area. Whereas my embarrassment was mainly financial, I was saddened to realise that these young people were akin to "non-persons" while still in their 'teens.

The concern of the various consulting bodies mentioned in your report is not in question, but let me say this: keep the secretarial and drafting work, and the committee discussions, to a very minimum. Get the young people off the streets. Changes and refinements can be made while the employment schemes are in progress.

John B. Francey.
59 Aytoun Drive,
Erskine, Renfrewshire.

Tonnage on the trains

From Mr A. Lucking

Sir, — Mr Ford (March 19) in turn might check what British Rail's trains actually do carry as opposed to what they can carry. And one should not forget the weight of the prime mover!

In 1980 BR reported that the average train carried 97 passengers. I estimated from the statistical tables that the weighted average for all types of passenger train was about 300 tonnes. Hence the actual achievement appeared to be about 3 tonnes of train per passenger carried. Perhaps BR can give us a precise figure?

Even a reasonably well loaded high-speed train carrying 250 passengers burns around 50 per cent more fuel per passenger than the average long-distance coach.

A. J. Lucking.
Flat 20, 17, Broad Court,
Bow Street, EC4.

Politics and sport

From Mr L. Moir

Sir,—If politics are to have nothing to do with sport, why is Bristol City Football Club appealing to local MPs and the Minister for Sport?

L. G. S. Moir.
39, Vicarage Road, Freshfield,
Formby, Merseyside.

Tactical voting at Hillhead

From Dr A. Scotney

Sir,—Samuel Brittan's appeal to Hillhead Conservatives to vote for Roy Jenkins (Lombard, March 18) would be fair enough if he had presented it as just that. His attempt to dress it up in the thin disguise of "tactical voting" is sheer nonsense. To have real purpose, tactical voting requires two pre-conditions. The candidate of your choice must have no realistic chance of victory, and you must take strong exemption to one of the candidates who has such a chance. If the polls are any guide, for Hillhead Tories the second condition is satisfied but the first is certainly not.

For either Social Democrats Party or Conservative voters to switch horses before one of their candidates has a clear advantage makes no kind of sense; Conservatives switching to SDP are just as likely to "let Labour in" as is an equivalent movement in the opposite direction. SDP and Conservative voters should vote for their own candidates unless the present position alters.

Mr Jenkins has been badly advised to stand in this constituency, in which he will have all of Teddy Taylor's perennial problems and none of his advantages should he be elected. Ironically, should Mr Brittan's call for tactical voting be heeded by the only group for whom it has real purpose at present, the Scottish Nationalist Party, I fear that the two "English" parties can fold up their tents and melt away. Like democracy, tactical voting is a great idea; the trouble is, it sometimes falls into the wrong hands.

(Dr) Alan Scotney.
17, Hyndland Ave., Glasgow.

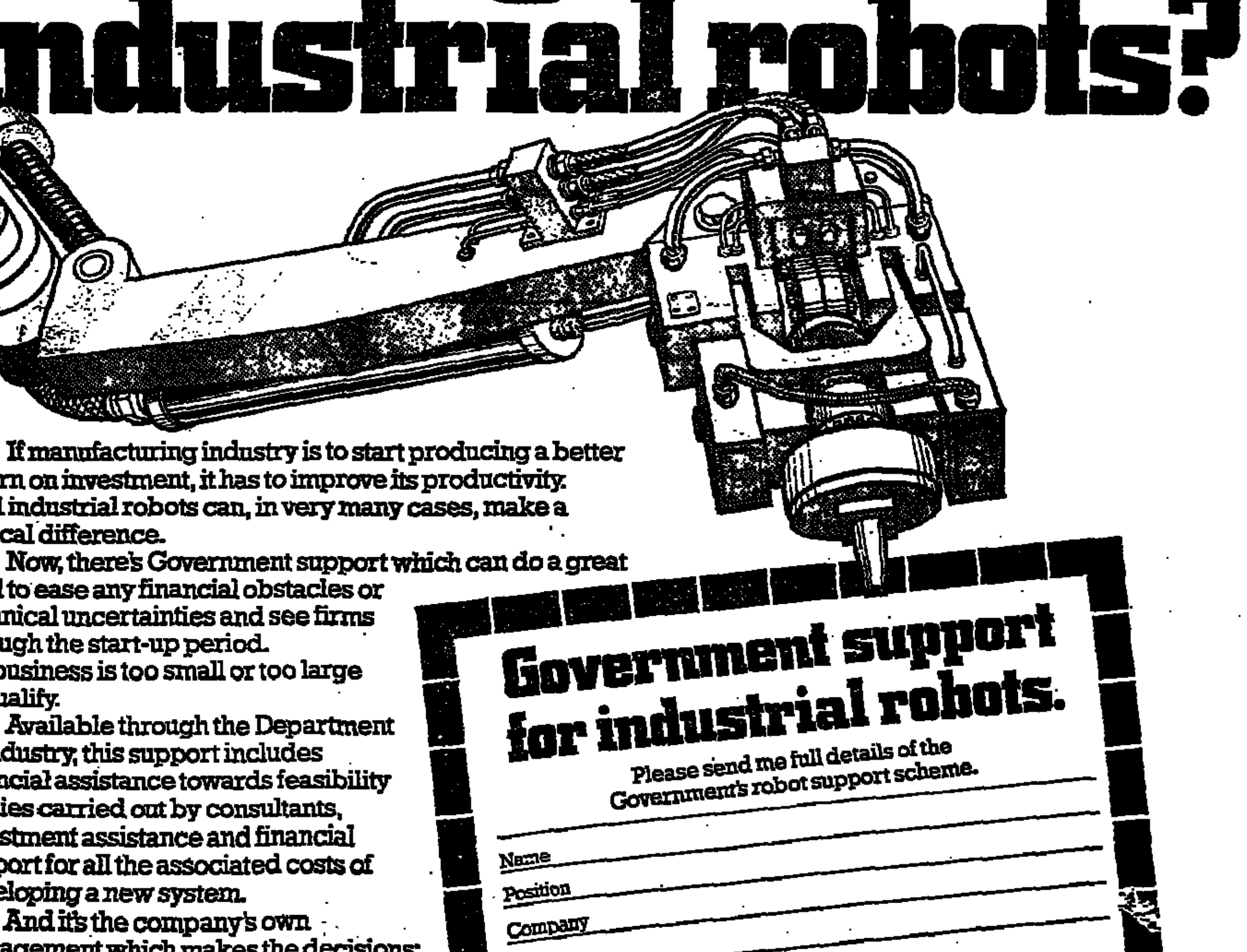
Going wrongly astern

From Cmdr. A. Lloyd-Hirst RN (Retd.).

Sir,—With reference to your Crossword No. 4,816 of March 8 I feel I must draw your attention to 11 Across. There is no command from the bridge "hard astern"—"hard a-port, or starboard, but slow, half or full astern." In case I should have been mistaken, I rang my son-in-law, a Master Mariner in the Merchant Navy, and asked him what action he would take if someone shouted from the bridge "hard astern," to which he replied: "Look over my shoulder to make sure I was not about to be assaulted." I must confess, I agreed with him.

(Cmdr.) A. Lloyd-Hirst RN (Retd.),
The Penthouse,
The Studio,
The Maze,
Millbrook, Guildford, Surrey.

What's it costing your company to ignore industrial robots?



If manufacturing industry is to start producing a better return on investment, it has to improve its productivity. And industrial robots can, in very many cases, make a critical difference.

Now, there's Government support which can do a great deal to ease any financial obstacles or technical uncertainties and see firms through the start-up period. No business is too small or too large to qualify.

Available through the Department of Industry, this support includes financial assistance towards feasibility studies carried out by consultants, investment assistance and financial support for all the associated costs of developing a new system.

And it's the company's own management which makes the decisions; there's no 'man from the ministry' who is going to try to run things for you!

So, the improvements in productivity and competitiveness which could make all the difference to your company's financial performance are probably more accessible than you and your colleagues have been thinking. Don't you owe it to your future to find out more?

Department of Industry

Mechanical and Electrical Engineering Division, Room 420 Ashdown House, 123 Victoria Street, London SW1E 6RB. Telephone: 01-212 0724

Government support for industrial robots.

Please send me full details of the Government's robot support scheme.

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Position
Company
Address
Telephone No.
Type of products
Possible areas of robot applications if known

FT6

Post to: Department of Industry, Mechanical and Electrical Engineering Division Room 420, Ashdown House, 123 Victoria Street London SW1E 6RB.

INFORMATION TECHNOLOGY

BICC tops £100m mark and dividend up by 10%

A CONTINUED strong performance in overseas cable-making more than offset lower UK profits at BICC and group pre-tax earnings climbed by 37 per cent from £74.6m to £101.9m in 1981. Restated first-half figures were ahead from £33.7m to £44.1m.

As forecast at the interim stage, when a rights issue to raise £58.7m net was also announced, the final dividend is 7.04p net for a total payment of 10.37p—an increase of 10 per cent on the previous year's 9.43p. Stated earnings per 50p share were 25.2p (adjusted 23.1p).

Sir Raymond Pennock, the chairman, warns that the group does not expect to see the same dramatic growth in its overseas operations this year.

Offsetting this, however, will be contributions from the group's new acquisitions, plus the benefits progressively showing through on action taken within the UK businesses to put them on a more efficient and competitive footing.

Overall, a year of continuing sound progress is expected.

Group sales for the year rose by 18 per cent from £1.36bn to £1.6bn. Operating profits were ahead by 27 per cent to £109.6m (£86.5m) before lower finance charges of £7.7m (£13m).

Profits attributable to ordinary holders fell by £8m to £35.3m. Tax was higher at £41.9m (£28.6m), minorities and preference dividends took £15m (£9.8m) and extraordinary debits £6.7m (£3.5m). The 1980 result included a special tax credit of £10.6m.

Current cost taxable profits were £61.3m (£55.1m).

A breakdown of the year's historic cost sales and pre-tax profits shows: Balfour Beatty £493.8m (£382.1m) and £12.5m (£13.2m); BICC Cables £418.1m (£448.5m) and £18m (£19.2m); BICC Industrial Products £158.4m (£157.5m) and £5.3m (£5.9m); BICC International £572.3m (£424.4m) and £69.8m (£40.3m). Inter-group trading accounted for sales of £38.3m (£47.7m) and central costs, other income and expenses took £3.7m (£4.5m) from profits.

Capital expenditure last year rose by 25 per cent to £45m and in 1982 is expected to approach £60m—split roughly equally between the UK and overseas.

See Lex

HIGHLIGHTS

The Lex column is dominated by company results beginning with Vickers where, along with reporting fulltime pre-tax profits up £5m at £24.6m, there is a one-for-four rights issue to raise £23m which the company will have a hard time justifying. BICC in pushing up its 1981 profits some £27m to £102m shows why its shares have enjoyed a cracking re-rating in the last couple of years. Whisky distiller Arthur Bell demonstrates how the cash begins to pour in when there is no need to expand the stocks of maturing product. Midway profits are seen to jump 52 per cent to £14.9m on lower volumes. Finally Lex looks at the results from Prudential and Eagle Star which underline the impression that overseas underwriting was very poor last year but investment income is showing good growth. Pru had a catastrophic year in general insurance made up for by strong life business. Eagle Star figures are in line with expectations and dividend is raised as forecast at the time of the Allianz raid.

Exchange gain lifts Rotork

INCLUDING an exchange gain of £201,000, compared with a £329,000 loss, taxable profits of Rotork, valve control equipment, marine craft and machine tools manufacturer, edged ahead to £2.84m for 1981, against a previous £2.75m. Turnover improved slightly from £20.32m to £21.95m.

Mr Jeremy Fry, chairman, says that at the end "of a tough year we had produced in the circumstances a respectable profit and had maintained a strong cash position."

The group sees 1982 as "another year of hard struggle" without the prospect of much improvement in the market place, but there has been sufficient progress on new products in the controls sector to give confidence for 1983 and beyond.

The Ludlam side should continue its expansion while the Evans companies and the marine division will be seeking other outlets for their products as well as some new ideas.

Earnings per 10p share are shown as 6.8p (9.1p) at the year end and the dividend is stepped up to 2.45p (2.2p) net with a final payment of 1.35p.

After a tax charge much higher at £1.42m (£905,000) and dividends, £611,000 (£562,000), the amount retained was £815,000, against £1.28m.

On a current cost basis pre-tax profits are given as £2.37m (£2.06m).

● comment

Rotork has turned in another set of uninspiring figures. The £0.5m turnround on currency exchange has patched over the 13 per cent decline in trading profits. The group's problem primarily lies in its actuator business—Rotork's core activity which makes the devices that control valves in pipelines and other fluid conductors. Its actuator products are getting old and are not as competitive as they once were. The company plans to launch a new product this autumn and has high hopes that it will pull the group out of its six-year profits plateau. Other areas are not providing much comfort; the marine business has declined in line with the slump in world-wide shipping. The 11 per cent improvement in the dividend helped to boost the shares 7p to 50p yesterday. At this price, the shares have a historic yield of 7.2 per cent and a fully-taxed p/e of about 7.

Prudential Corporation plc

Unaudited Group Results for 1981

Results and Dividend
Total profits for 1981 were £43.2m compared with £42.5m in 1980. There was substantial growth in the life profits, but underwriting losses in general business increased sharply. The directors have declared a final dividend of 8.0p per share, payable on 27 May next. This, together with the interim dividend of 4.5p per share paid in November, amounts to 12.5p per share (11.0p in 1980).

		1981 £m	1980 £m
Life:	Premium income	1,187.3	1,020.3
	Surplus attributable to policyholders	508.7	372.7
	Surplus attributable to shareholders	41.5	29.5
General:	Premiums written	569.0	456.0
	Underwriting result	(59.0)	(33.9)
	Investment income	46.1	33.6
		(12.9)	(0.3)
	Taxation credit	4.7	2.8
	Profit after tax.	(8.2)	2.5
Shareholders' Other Income:	Investment income	19.8	18.7
	Miscellaneous income	2.2	1.0
	Expenses	(3.7)	(1.9)
	Taxation	(8.4)	(7.3)
	Other net income	9.9	10.5
Summary of Results	Life	41.5	29.5
	General	(8.2)	2.5
	Other net income	9.9	10.5
	Profit for the year	43.2	42.5
	Dividend	37.3	32.8
	Retained profit	5.9	9.7
Earnings per share		14.5p	14.2p
Dividend per share		12.5p	11.0p

Life Business
Due to the continuing benefits of our considerable life fund investments in equities and property it has been possible to make substantial increases in bonuses to policyholders of Prudential Assurance both in the UK and overseas, at a cost of £508.4m (36% up on 1980). Profits to shareholders from this source have risen in proportion and together with higher profits from Mercantile & General and Vanbrugh have resulted in an increased life profit of £41.5m (£29.5m in 1980).

General Insurance Business

	Premiums written 1981 £m	Premiums written 1980 £m	Underwriting result 1981 £m	Underwriting result 1980 £m
UK	201.7	173.4	(9.7)	(9.3)
Canada	74.6	48.5	(10.4)	(2.9)
EEC	37.1	37.0	(4.7)	(3.6)
Other Countries	44.8	34.8	(9.9)	(4.0)
Marine & Aviation	11.8	8.9	(1.0)	(1.7)
Specialist Reinsurance	199.0	153.4	(23.3)	(12.4)
	569.0	456.0	(59.0)	(33.9)

In the UK, despite the effect of the severe weather in December, the underwriting loss for the year showed only a small increase. Underwriting conditions overseas were particularly unfavourable and led to substantially greater losses. Reinsurance business suffered in addition from excessive competition world-wide.
The total free assets of the group at the end of 1981 represented 49% (60% in 1980) of short-term general insurance premiums.

Investment Income
Investment income on short-term general insurance and shareholders' funds combined increased to £65.9m from £52.3m, a rise of 26%.

PRUDENTIAL CORPORATION

Prudential Corporation plc, 142 Holborn Bars, London EC1N 2NH.

Sirdar at £2.93m for half-year

FOR THE 28 weeks to January 8 Sirdar, knitting and rug wool manufacturer, increased its pre-tax profits from £2.3m to £2.93m, "justifying" the confidence shown by Mrs Jean Tyrrell, the chairman, in her statement last June.

In her interim report she says that with the present level of business it is reasonably expected that the second half of the year will be at least as good as the first six months.

With stated earnings per 25p share improving from 9.6p to 12.2p before tax and to 7.7p (5.5p) after, the net interim dividend is being stepped up from the equivalent of 1.35p to 1.6p—a total equal to 3.5p was paid for 1980-81 from taxable profits of £5.31m.

Half-year turnover moved ahead to £15.45m, against £14.37m, and trading profits advanced to £2.8m, compared with £2.35m.

The pre-tax surplus was after interest and other income which emerged as a credit this time of £127,000 (£55,000 charge). Tax took £1.08m (£965,000), leaving net profits £514,000 higher at £1.84m.

Mrs Tyrrell says that although the hand-knitting market generally has been more buoyant than in the recent past as yet, no very marked improvement has been seen.

See Lex

● comment

Sirdar's half-yearly figures are very good indeed. Trading margins are up by almost 2 points at 18.1 per cent, so although turnover has not gone ahead anything like so fast as in the corresponding part of 1980-81, trading profits are still ahead by nearly a fifth. This kind of advance is what the market has now come to expect of Sirdar, so although the dividend was increased by 18½ per cent, the shares merely inched their way up 5p to 130p. At this level they yield a prospective 4.5 per cent and, assuming that pre-tax profits push onwards to around £6.4m, the fully-taxed p/e is still a modest enough 10. Adjusting for last October's one-for-one scrip, the shares have more than doubled since the beginning of last year, and if there were signs that the growth had begun to falter the temptation to take profits would be strong. As yet Sirdar has probably some way to go in extending its lead as the most efficient producer in the sector—capital expenditure is set to carry on at £3m next year following completion of the new factory next month. But the limitations to the company's UK volume may not be all that distant, given that it already has a quarter of the total market for knitting yarn.

Vickers £4m off at £24.6m pre-tax

WITH THE previous year's figure being boosted by £8.9m nationalisation interest, profits, before tax, of Vickers were down £4m to £24.6m for 1981, on a sales total up by £110.4m to £603.6m.

Also announced is a one-for-four rights issue to raise a net £23.3m.

The dividend for the year is maintained at 12p net per £1 share with a same-again final distribution of 7.45p. Earnings per share are shown as 22.7p against 34.8p.

Sir Peter Matthews, chairman of this engineering, armaments, medical equipment, printing machinery group, says that the second half of the year, as forecast, was a good deal better; the value and volume of exports improved substantially, although the level of activity in the UK market remained "disappointingly low and any sign of recovery was dampened by the increase in interest rate in the latter part of the year."

Order books at the beginning of 1982 were comparatively higher and the order intake is continuing at much the level achieved during the 1981 second six months.

The chairman says the outcome for the year as a whole will depend greatly on the level of exports and the relative strength of sterling.

There were no significant changes in the group's structure during 1981, although there was a number of small acquisitions.

The chairman says that no progress was made in Vickers' claim to the European Commission on Human Rights on the compensation received for the nationalised aircraft and shipbuilding businesses.

On the cancellation of the tank engine contracts with Iran, the chairman says that negotiations with the Ministry of Defence have been completed and that the settlement totalled £11.9m.

The cash settlement was £8.9m and the balance was in respect of the transfer to the group of the fixed assets, including the factory building.

Of the total benefit, £1.3m was taken to revenue in 1980 and £4.2m in 1981, leaving a carry-forward of £6.3m against under-recovered depreciation and other costs.

Explaining the reasons for the rights issue Sir Peter says the merger with Rolls-Royce Motors Holdings represented the company's first major step towards replacing the profits lost by the nationalisation of its shipbuilding and aircraft interests. The immediate tasks of integrating the two companies have been completed.

The directors are conducting a review of the strategy of the group, which has begun by identifying those existing businesses which appear to offer the best prospects for growth. This review has confirmed the soundness of recent major capital programmes, notably in lithographic plates at Howson-Algraphy, motor cars at Rolls-Royce Motors and defence equipment at Newcastle.

Over the last four years £41m has been spent on these capital programmes and a further £9m is currently committed. In addition, significant sums have been spent on acquisitions and capital expenditure to support the growth of the group's other activities, he states:

"The development of the group's strategy will be aimed at concentrating and consolidating its interests in selected activities." This will involve both in the UK and overseas capital expenditure on existing businesses and acquisitions and may also involve selected disposals. Although substantial unused facilities remain available from the company's bankers, directors feel that those objectives will be more readily achieved by the strengthening of the balance sheet by a rights issue.

Pre-tax profits were struck after redundancy costs, up from £1.4m to £3m, interest payable, less investment income, of £18.3m (£16.3m) associates share of £0.5m (same), and the £8.9m interest on nationalisation in respect of prior years for 1980.

Tax charge was much higher at £6.4m, compared with £1.8m, and after minority interests, £1.2m (£0.9m) and extraordinary debits amounting to £11.1m (£14.8m), the available balance for the period was well behind at £5.9m, against £11.1m.

The extraordinary items include other redundancy costs on closures and reorganisations of £5.5m (£1.4m).

An analysis of sales and trading profits, £42.4m (£35.5m), shows: engineering equipment including design and projects £191.4m (£170.9m) and £11.5m (£17.3m); motor cars £133.6m (£119.8m) and £16.2m (£8.7m); engineering products £119.4m (£123.5m) and £3.2m (£5.9m); lithographic plates and supplies £67.8m (£65.9m) and £7.1m (£8.9m); overseas engineering £82.9m (£61.6m) and £5.2m (£3.5m); discontinued activities £8.5m (£54.8m) and £0.8m loss (£4.5m loss); pre-acquisition profit of Rolls-Royce Motors Holdings £4.3m in 1980.

On a CCA basis group pre-tax profit is reduced to £13.4m (£16.7m).

A circular on the rights issue, of 18,310,016 ordinary £1 shares at 133p each, will be despatched today, and renounceable letters of allocation on April 19. Dealings in the new ordinary shares are expected to start on April 20. Brokers to the issue are Hoare Govett.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Armstrong Equip. ... int.	0.35	May 21	0.55	—	1.49
Arthur Bell .... int.	1.7	June 1	1.55*	—	4.72*
Berwick Timpo	Nil	—	4	2	6
Bestobell	7.6†	June 3	7.1	13	12.25
BICC	7.04	July 1	6.4	10.37	9.43
Blue Bird Confectionery	1.45	April 23	1.45	—	4.35
Church and Co.	6	—	5.5	8.5	8
Clifford's Dairies	3.5	May 21	2.75	5	4
Richard Clay	1	—	1.4	1	3
DRG	3	July 5	3	6	6
Eagle Star	8	July 15	5.5	15	10.5
Hepworth Ceramic	3	July 1	3	5.25	5.25
Jones and Shipman	1.05	—	2.6	1.8	3.6
Laing Properties	2.75	—	2.34*	4.5	3.75*
Percy Lane	2	June 1	1.67*	3	2.5*
Lond. and Manchester ...	7.98	—	7	11.9	10.5
Maynards	3.13	May 7	3.13	—	9.38
J. N. Nichols	5.5	—	4	10	7
Prudential Cpn.	8	—	7	12.5	11
Rockware Group	2.1	—	2.1	2.1	2.1
Rotork	1.35	May 21	1.1	2.45	2.2
Sirdar .... int.	1.6	May 18	1.35*	—	3.5*
Slough Estates	2.08	May 24	1.66	3.33	2.76
Stewart En'prise. 2nd int.	0.2	July 16	—	0.4	—
Vickers	7.45	July 1	7.45	12	12
Jas. Walker G'smith. int.	1	May 5	1	—	4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Eagle Star lifts profit by 12%

PRE-TAX profits of Eagle Star Holdings rose 12 per cent in 1981 from £65.9m to £73.8m, following a near 20 per cent improvement in net investment income from £73.8m to £88.3m.

This more than offset a one-third worsening in underwriting losses from £32.5m to £42.7m. Shareholders' long term profits improved by one-fifth from £11.8m to £14.2m, while the profits of the industrial subsidiary Grovewood Securities were nearly 10 per cent higher at £15.5m against £14.4m.

A substantially higher tax charge trimmed back to increase in profits after tax and transfers to catastrophe reserve to a mere 2.6 per cent from £34.4m to £35.3m.

The final dividend of 8p brings the total dividend for 1981 to 15p as forecast by the group in its defence against the tender offer made last June by the West German insurance conglomerate Allianz Versicherung.

General insurance premium income rose 8 per cent in 1981 from £442.5m to £477.3m. The solvency margin at the end of the year was 57 per cent.

Business in the UK was hit by fierce competition and the overall underwriting loss worsened slightly from £25m to £26.2m. But after taking investment income into account, the profit rose from £13m to £18.8m.

The UK results were hit by the adverse weather in December. The fire account, covering commercial business, suffered a loss of £2.1m against only £700,000 in 1980, while the "all-in" domestic account saw losses rise from £4.2m to £5.9m. Losses in the large motor account worsened, despite the lower numbers of claims, from £5.9m to £6.5m—the group feeling the effects of the absence of any substantial rate increases last year because of the keen competition.

Overall, the bad weather in December cost the group around £10m in additional claims, and the continuation of the adverse weather in January will cost a similar amount.

The liability account suffered from an increase in claims arising from industrial diseases from earlier years, but overall losses were reduced from £13.1m to £9.6m.

The group made a pre-tax loss of £5.1m on its overseas business with underwriting losses more than doubling from £7.2m to £16.1m. In 1980 there was a small pre-tax profit of £1m.

The major part of the loss occurred in Australia where underwriting losses more than doubled from £3m to £7.6m. But 40 per cent of 1981's losses arose from a court decision on a claim and can be regarded as a once-off item. In South Africa, there was an underwriting loss of £2.4m after several profitable years. Results in Belgium and the U.S. were satisfactory.

A good final quarter enabled Grovewood Securities to produce a record profit for the fourteenth consecutive year.

See Lex

Euroflame board changes

THE PROMISED reconstruction of Euroflame Holdings, the troubled domestic appliance retailer, has gone one stage further with the passing of board resolutions to remove executive power from Mr John Viall, the chairman and managing director, and Mr and Mrs L. W. Jones, the two directors who co-founded Euroflame in 1976.

Resolutions to remove the three individuals from the board of the company will be moved at an extraordinary general meeting of Euroflame's shareholders shortly. None of those involved was available for comment last night.

It was Mr Viall himself who, announcing the proposed liquidation of Euroflame's main operating subsidiary last Friday, indicated that further reconstruction moves were in store for the company. These were to include management changes and the possibility of an injection of new equity.

The placing of £300,000 of equity for Euroflame's remaining businesses has been agreed in principle by Tring Hall Securities, the financial adviser to the company which sponsored its launch on to the Unlisted Securities Market last year.

The company also announced last night that it has established a new trading subsidiary. Its directors will be Mr Darryl White, Mr B. Simpson and Mr K. Prichard-Jones who have also been appointed immediate consultants to Euroflame. Mr White has been made general manager of Euroflame Holdings and each of its subsidiaries.

The liquidation of Euroflame UK is scheduled for next Monday and is being handled by accountants Stoy Haward, the firm which prepared a report on Euroflame's affairs following disclosure of substantial losses for 1981. The company is to be the subject of a Department of Trade inquiry.

CROUCH GROUP

To assist in the expansion of its overseas development business, Crouch Group has established four new subsidiaries. These are: Crouch Management USA, Crouch Phoenix, Crouch Royal Gardens, and Crouch Overseas.

J. Walker goes into the red

JEWELLERS James Walker Goldsmith and Silversmith reports pre-tax losses of £297,000 for the half year to October 31 1981 compared with profits of £670,000 previously. Turnover, excluding VAT, was ahead at £12.46m against £11.6m.

The interim dividend is held at 1p net per 25p share—last year a final of 3p was paid out of pre-tax profits of £2.3m.

Half year trading profit fell from £1.24m to £259,000. Depreciation amounted to £273,000 (£267,000) and interest took £283,000 (£198,000).

There was a tax credit of £154,000 compared with a charge of £348,000 last time and a net loss of £143,000 (£322,000 profit).

£1.3m loss for Armstrong Equip.

AFTER seeing its pre-tax profits fall from £8.56m in 1980 to £892,000 in 1981, Armstrong Equipment says the downward trend in trading continued into the first half of the current year.

This holding company with interests in the manufacture or sale of automotive components, industrial fastenings and light engineering, reports a pre-tax loss of £1.31m, against profits of £741,000, in the six months to December 27, 1981. The interim dividend is cut from 0.55p to 0.35p—last year's total was 1.496p.

The directors say the automotive components division was particularly badly affected. They say there has also been a squeeze on margins through all divisions due to the continuing strength of sterling, particularly against the Deutschmark.

The profit and loss account has also been adversely affected by the need to continue to reduce inventories by manufacturing at a lower rate. The total work force in the UK has been reduced by a further 320, as vigorous action continues to reduce costs.

The results of the first half were badly affected by December trading, when a combination of bad weather and pre-Christmas retail purchasing reduced demand considerably across all divisions.

The directors say trading in the early part of the second half has also been poor, but with continuing action to reduce costs and improve gross margins, it is expected that profitability will be restored in the last quarter. They say that the trends towards lower interest rates and a lower exchange rate should aid the recovery process, as will the reduction in the National Insurance surcharge.

External sales in the first half rose from £48.85m to £54.35m. The pre-tax figure was struck after interest charges of £2.03m (£2.26m) and exceptional stock profit last time of £2.52m. Tax took £176,000 (£328,000), leaving a loss of £1.49m (£413,000 profit). There was an extraordinary item of £614,000 (£2.42m).

● comment

Armstrong Equipment has made the gesture of paying an interim dividend, albeit reduced, in order to underline the directors' belief that the worst is over. That the market may not completely endorse that confidence is evident from the share price, which dropped 4p yesterday to 28p. Trading has actually got worse in the first half, and although some profits have been sacrificed in the attempt to reduce inventories the effect on borrowings was not significant in the period. Surgery in 1980-81 was fairly radical, so that diminishing returns have perhaps set in; in any case the benefits will really become significant when the reconstruction gets some volume to bite on. Nevertheless, there are parts of the group—such as the amalgamated bolt capacity of Charles Richards and Atlas Bolt—where quite good profitability is expected to come through in the final quarter.

London and Manchester raises dividend to 11.9p

The London and Manchester Group, a home service insurance company, is increasing its 1981 dividend from 10.5p to 11.9p despite a 5 per cent drop in the profits attributable to shareholders from £3.04m to £2.87m.

The group has made higher transfers in 1981 from both life branches, the industrial branch transfer being lifted 13 per cent from £1.07m to £1.21m and the ordinary branch by 25 per cent from £1.39m to £1.75m, the latter figure including a special £200,000 transfer.

But the general branch loss, after tax, jumped from £86,000 to £282,000 and investment income on shareholders' funds was trimmed from £1.03m to £965,000. In addition the rearrangement in the general branch business incurred a total of £400,000 non-recurring expenses. The earnings per share rose from 12.13p to 12.54p.

The share price shed 12p to 260p on the results, yielding 6.7 per cent gross.

The company has improved its reversionary bonus rates in the ordinary branch by 15p to £5.25 per cent of the sum assured. But bonus rates for adult endowment assurances in the industrial branch remain unchanged at £3.75 per cent.

Yearlings total £17.8m

Yearlings bonds totalling £17.85m at 13⅞ per cent redeemable on March 30 1983 have been issued this week by the following local authorities.

North East Derbyshire DC £0.5m; St Helens Metropolitan BC £0.5m; Sedgemoor DC £0.25m; West Dorset DC £0.5m; Crawley BC £0.5m; Durham (City of) £0.5m; Llanelli (Borough of) £0.35m; Maldon DC £0.5m; Newham (London Borough of) £0.25m; Norwich (City of) £1m; Rochdale Metropolitan BC £0.5m; South Bedfordshire DC £0.5m; South Tyneside (Borough of) £1m; West Oxfordshire DC £0.25m; Greater London Council £2.5m; Dundee (City of) DC £0.5m; Fife Regional Council £0.5m; Camden (London Borough of) £1m; West Yorkshire Metropolitan CC £0.5m; Islington (London Borough of) £1.5m; Kingston upon Hull (City of) £1m; Leeds (City of) £2m; Newark DC £0.5m; Cambridge City Council £0.5m; South Derbyshire DC £0.25m.

Jebsens USM listing

Dealings on the Unlisted Securities Market of Jebsens Drilling are expected to begin on April 1. Nearly half the group's equity was placed with UK institutional investors last April.

Jebsen is primarily engaged in drilling activities in the North Sea. The group yesterday forecast that pre-tax profits for 1982 would reach £14.9m, which compares to £8.8m for 1981. As forecast, a dividend of 10p per share will be paid for 1981.

Receiver called in at Sackville

A receiver and manager has been appointed to Sackville Press Billericay. The company prints a variety of publications, notably children's books and fine arts greetings cards. Receiver is Mr Stephen Adamson of Arthur Young McClelland Moores.

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UK COMPANY NEWS

Slough Estates expects further improvement

A SIGNIFICANT rise in pre-tax profits and an effective 25 per cent increase in dividends are predicted for 1982 by Mr Nigel Mobbs, chairman of Slough Estates. The taxable surplus for 1981 moved ahead by £2.04m to £13.47m and the total dividend is being lifted by 20 per cent to 3.325p net with a final of 2.075p.

"For 1982," says Mr Mobbs, "we can expect improved rental income in the UK from reviews, reversions and new projects, while our overseas prospects are also improving." He is confident of a significant rise in pre-tax profits.

A one-for-four scrip is proposed and it is anticipated that the increased rate of dividend for 1981 will be maintained on the enlarged capital, representing an effective increase of 25 per cent.

"Many aspects of the recession are still with us—high interest rates, low demand, under-utilisation of industrial capacity," says Mr Mobbs. He notes that by the nature of the group's activities, improved demand for its services tend to lag behind the general economic cycle.

"The group is represented in locations that will continue to outperform the average and we are well placed to respond to better conditions in the future," he says.

Stated earnings per ordinary 25p share rose from 7.13p to 8.34p. UK rental income expanded from £19.02m to £21.73m and the overseas figure moved ahead from £5.78m to £8.25m.

Pre-tax profits were struck after charging £1.37m (£1.57m) for carrying charges on land held for future development. There was also a profit of £852,000 on the sale of an investment in Bank America Realty Investors.

The group ended the year with £11.5m in cash and ample banking facilities available for the current development programme and for the acquisition of new projects.

The gross value of group properties by the end of 1981, including the valuation, additions at cost and exchange rate changes was £475m compared with £410m. The surplus of £65m has been credited to the investment revaluation reserve and minority interests as appropriate. Net assets per share rose from 186p to 243p.

The valuation surplus for UK properties amounted to £44.8m. The estimated rise in UK rental income is 55 per cent over the next five years.

Tax was lower at £1.45m (£1.53m). Minorities took £166,000, compared with a credit of £173,000. Attributable profits were £11.85m (£10.07m).

Interest and other charges on projects under construction in the UK have been capitalised at £1.66m (£1.64m), and overseas at £1.28m (£1.19m).

● comment

Slough Estate's profits are in line with expectations but both the outlook and the revaluation surplus are better than anticipated. The revaluation was, of course, helped by the higher worth in sterling of the group's overseas properties, which now account for about a quarter of the value of the total portfolio. Slough's views on the outlook are always given extra credibility because the group's electricity generating activity keeps it close to the pulse of industry. Volume sales of electricity were down 9 per cent last year and the operation's losses jumped from £1.1m to £2m. But new, more efficient plant has started up this year and should reverse the trend. This, plus the letting of the Brussels block—vacant for five years—should help push profits to over £16m this year. At 142p, up 8p, the shares are at a 35 per cent discount to assets, assuming full dilution. The prospective yield is just over 4 per cent on the well covered forecast dividend.

Expansion at Fife Indmar

FOLLOWING A rise from £201,165 to £374,471 at halfway, taxable profits of Fife Indmar, formerly Fife Forge, of Kirkcaldy, finished 1981 well ahead at £772,574 against £502,544.

Turnover for the full period advanced to £10.36m (£8.27m) and the dividend is boosted by 50 per cent to 6p (4p) net with a final payment of 4.7p. Earnings per share are shown as 25.41p (16.41p).

Tax on this marine and general engineering concern was £90,060, compared with £61,332, and after an extraordinary debit of £188,249 last time, the available balance was £682,514 against £254,963.

Finance & Industrial

PROFITS BEFORE tax for the six month to January 31 1982 of Finance and Industrial Trust, holder and dealer in investments, rose to £63,798 from £58,277 on turnover up from £114,748 to £178,980. Total profit for the year to July 31 1981 was £120,901.

Commenting on the figures, Sir Graham Rowlandson, chairman, says "The results for the past six months are considered to be very satisfactory, especially in view of the generally difficult conditions which prevail in industry and commerce.

"Further increases in rental income have been obtained and the results of the hire purchase and leasing company show further improvement.

"Whilst it remains difficult to forecast, due to the industrial uncertainty, it is anticipated that the results for the year ending July 31 1982 will continue the steady growth."

After an estimated 52 per cent tax-charge of £33,175 (£30,304) net profits are £30,623, up from £27,973.

Stated earnings per 10p share are 2.38p (2.17p).

GREAT NORTHERN

As at close of business on March 19, 198 , estimated nav at Great Northern Investment Trust, after deducting prior charges at market value, was 177.6p per ordinary unit of Great Northern and 474.5p per ordinary share of RIT.

Arthur Bell heading for £25m plus

AN ADVANCE from £20m to over £25m in profits, before tax, is forecast by Arthur Bell and Sons, the Scotch whisky distiller, for the year to June 30 1982.

In the first half of the year profits show a rise from £9.78m to £14.58m on a turnover ahead from £137.52m to £146.57m. This mainly reflected profits up from £10.28m to £14.55m on the production and sale of Scotch whisky. Lower interest of £1.65m (£2.72m) also contributed to the improvement.

Mr Raymond Miquel, chairman, says that the increased profit from whisky was due to strong demand for the company's products in home and overseas markets. Home sales of both Bell's and the Real Mackenzie Scotch whiskies "were at a reasonable level . . . with volume approaching the record sales achieved in the six months to December 31 1980."

"Despite the regular appearance of new brand names introduced with the aim of depleting excess whisky stocks at marginal or nil profit, we are confident that premium Scotch whisky brands will continue to keep the major share of the market," he states. The group again plans to be spending over £2m on advertising Bell's in the UK during the current year.

Group Scotch whisky exports increased sharply from £12.97m to £16.69m in the half year. Export sales volume was ahead by 14 per cent and the chairman says that when compared with industry figures "it is clear that our brands continue to increase market share."

He reports that widespread gains were shown overseas with substantial improvement in France, Italy, Spain, Japan and duty free markets. Sales in the U.S., however, are still "at an unacceptably low level," but in 1982 the company will be much more directly involved in advertising and promoting Bell's in the U.S.

Referring to the recent Budget increase in excise duty on Scotch whisky, Mr Miquel says "this is certain to have a depressing effect on demand at a time when the market is not buoyant." Home sales demand for Scotch whisky could show a further fall in the current six months.

He says that Bell's and The Real Mackenzie cannot be immune from this situation but it is fully expected that further penetration of overseas markets will ensure that profit from the Scotch whisky division in the second half of the current year will show an improvement over the level achieved in the 1981 period.

In the glass container division Canning Town Glass returned a profit of £222,000, compared with a loss of £360,000, in the half year. However, sales are not expected to increase substantially in the second half and the chairman estimates that this division will show only a modest profit in the period.

Towmaster Transport lifted its profit from £70,000 to £114,000 and a reasonable profit is expected for the second six months.

For the group as a whole the chairman says that indications are that profits for the second half will be in excess of the £10.24m reached in the same period of 1981.

The interim dividend is effectively raised from 1.55p to 1.7p net per 50p share—the total for 1980-81 was equal to 4.72p.

First-half earnings per share are shown to be up from 10.5p to 12.8p, or to 11.46p fully diluted.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Amalgamated Distilled Products, Fairview Estates, Howden Group, Lucas Industries, Saga Holidays, Strong and Fisher.

Finals—Automated Security, BBA, BSR, Banro Consolidated Industries, Bemrose, Cambridge Electronics, Friedland Doggart, Garton Engineering, Leyland Paint and Wallpaper, Manders, Bernard Matthews, Metal Closures, Misconcrete, Noble and Lund, Ocean Transport and Trading, Tricentrol, United Newspapers.

FUTURE DATES

Interims—
Bryant ... April 5
LWT ... April 1

Finals—
Bramer (H.) ... April 6
Croda International ... Mar 31
Hanger Investment ... Mar 26
Highlands and Lowlands ... April 6
Jersey Electricity ... April 1
Pearl Assurance ... April 14
Quick (H. and J.) ... Mar 30
Reed Executive ... April 6
Quick (H. and J.) ... Mar 23
Standard Chartered Bank ... Mar 30
Ward White ... April 7

GROUP INVESTORS

Options, free of payment, to acquire ordinary shares in Group Investors are to be issued to the company's shareholders. The basis will be one option for every five ordinary shares currently held and each option will entitle the holder to buy one ordinary share at 125p on October 1 in the years 1983-88 inclusive.

BRISTOL WATER

The offer for sale by tender of £7m in 9 per cent redeemable preference stock 1987 by Bristol Waterworks has attracted applications for £8.5m of stock. The lowest price to receive a partial allotment was £100.13 and the average price obtained was £100.6. Dealings begin today.

Bestobell rises 9.6% to £8.5m

ALTHOUGH down on first half figures, taxable profits of Bestobell moved ahead from £3.67m to £4.13m for the second six months of 1981 and left the full year surplus 9.6 per cent up at £8.47m, against £7.72m. Turnover was slightly higher at £122.36m, compared with £119.1m.

Mr A. B. Marshall, chairman of this controls, energy engineering, aviation group, regards the outturn as satisfactory and announces an increased final dividend of 7.6p (7.1p) net per share. This steps up the total from 12.25p to 13p.

The level of current borrowings is "relatively insignificant" he states, and adds that the group ended 1981 with a strong balance sheet.

An analysis of sales and trading profits, of £9.75m (£9.88m), shows: controls and instrucentation £20.03m (£19.34m) and £2.53m (2.39m); aviation and seals £21.01m (£15.56m) and £3.58m (£3.27m); energy engineering £18.51m (£19.52m) and £385,000 loss (£665,000 profit); Australia and New Zealand £32.37m (£25.91m) and £1.66m (£1.57m); South East Asia £5.21m (£4.76m), and £599,000 (£469,000): South Africa £10.5m (£9.9m) and £1.04m (£887,000); Central Africa £8.61m (£6.39m) and £1.35m (£873,0000); discontinued activities 8.97m (£20.83m) and £106,000 loss (£352,000 profit); inter-unit sales £2.86m (£3.1m) and group expenses £515,000 (£587,000).

A geographical analysis of the controls, energy and aviation sectors—sales £59.55m (£54.42m) and profit £5.72m (£6.32m)—shows: UK £46.94m (£42.78m) and £4.69m (£5.31m); Europe £5.43m (£5.48m) and £367,000 (£288,000); North America £7.18m (£6.16m) and £673,000 (£717,000).

Interest charges for the 12 months were lower at £1.28m, compared with a previous £2.15m, tax took £3.83m (£2.91m) and minorities £268,000 (£218,000).

Earnings per share were 28.1p (33.9p) net and 30.7p (33.9p) nil.

After an extraordinary debit of £2.21m (£569,000 credit) the available balance came out at £2.16m, well behind from £5.17m last time. The retained figure was £53,000 (£3.46m) after dividend costs.

The extraordinary items for 1981 relate to the major restructuring undertaken and, in particular, the sale of the consumer products division and the terminal costs of discontinued operations.

CCA pretax profit is given as £5.13m (£4.73m).

● comment

Bestobell's 1981 performance has been dull. The rights issue money helped to reduce interest charges, which in turn gave a fillip to pre-tax profits. Trading profits slipped. The dilution from the rights pushed down earnings per share by 17 per cent. This is the first EPS decline in five years and accounts for the recent re-rating of the shares. Despite an 18p rise yesterday to 388p, the shares are still nearly a quarter down on their price at the interim stage of 473p. This gives a fully-taxed p/e of 14.4 against 19 at the six month stage. The new rating is more reasonable but may not fully discount what could be another dull year in 1982. Energy engineering is not expected to return to profit until the second half and UK trading remains depressed. That means 1982's growth will depend heavily on the new U.S. acquisition. Provided the rest of the rights money is put to work soon, the group could pull out of the doldrums in 1983. The improved dividend yields just over 5 per cent.

Blue Bird soars to £0.2m

A 75 PER CENT increase in pre-tax profits to £200,899 from £114,644 on turnover down from £5.21m to £4.81m is reported by Blue Bird Confectionery Holdings for the six months to January 2 1982.

After a second-half deficit of £2,493, profits for the 53 weeks to July 4 1981 were £112,151 pre tax. There was a turnround in profitability at the Blue Bird Toffee subsidiary of £318,000 between the second six months to July and the first half of the current year.

The interim dividend is maintained at 1.45p per 25p share—a total of 4.35p was paid in 1981.

Commenting on the interim figures, the directors say the results have been achieved despite a drop in home sales of 9.4 per cent. The result reflects a big increase in exports, tighter management control and substantial cost savings in purchases of packaging.

"The home sales situation is now corrected though the severe weather early this year meant a slow start to the second half," they state.

"We look forward to the future with confidence."

After tax of £79,791 (£22,415), net profits are £121,108, up from £92,229. This gives stated earnings per share of 3.28p (2.48p).

Vickers

Results for 1981

* Profit before prior year interest some £5 million (25%) higher than 1980.
* Value and volume of exports improved substantially but UK demand remained low.
* Order books at beginning of 1982 higher than at beginning of 1981.
* Extraordinary items of £11.1 million are in respect of retrenchments and closures which will improve the future efficiency of the business.

"Development of strategy will be aimed at concentrating and consolidating selected activities. This will involve, both in the UK and overseas, capital expenditure on existing businesses and acquisitions and may also involve selected disposals."

Consolidated Profit & Loss Account for the year ended 31 December 1981	1981 £m	1980 £m
Sales	603.6	493.2
Trading profit	45.4	36.9
Redundancy costs	3.0	1.4
Profit before interest	42.4	35.5
Net interest payable less investment income	18.3	16.3
Profit before prior year interest	24.1	19.2
Interest on nationalisation in respect of prior years	—	8.9
Associated companies	0.5	0.5
Profit before taxation	24.6	28.6
Taxation	6.4	1.8
Profit after taxation	18.2	26.8
Minority interests	1.2	0.9
Profit before extraordinary items	17.0	25.9
Extraordinary items	11.1	14.8
Stockholders' profit	5.9	11.1
Dividends	9.2	9.2
Profit retained/(deficit)	(3.3)	1.9
Earnings per £1 of Ordinary Stock:		
Including interest on nationalisation in respect of prior years	22.7p	34.8p
Excluding interest on nationalisation in respect of prior years	22.7p	22.7p

Extraordinary items include redundancy costs on closures and reorganisations, in addition to those shown above, of £5.3 million (£1.4 million) making a total of £8.3 million (£2.8 million) for the year.

The Report and Accounts will be posted on 30 April. For a copy, please write to The Secretary at the address below. Stockholders will receive copies automatically. The Annual General Meeting will be held at 12 noon on 27 May at Vickers House.

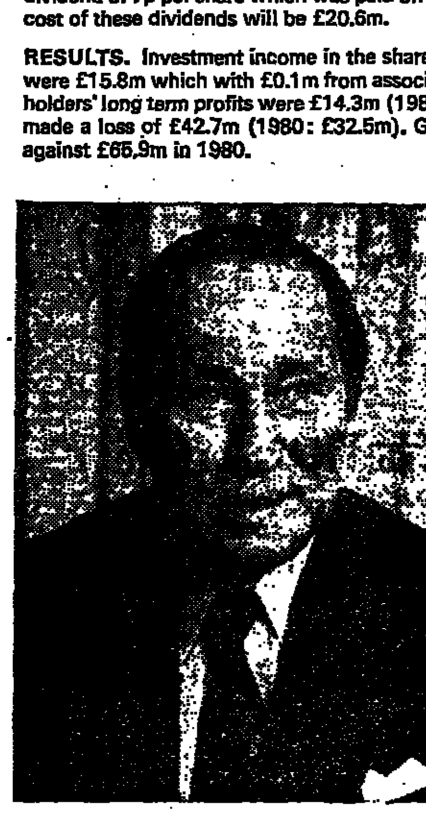
VICKERS P.L.C., VICKERS HOUSE, MILLBANK, LONDON SW1P 4RA

Eagle Star

SUMMARY OF GROUP RESULTS FOR 1981

DIVIDENDS. The Directors are recommending to the shareholders at the Annual General Meeting to be held on 7th May 1982 a final dividend of 8p per share payable on 15th July 1982 to shareholders on the register as at the close of business on 17th June 1982. With the interim dividend of 7p per share which was paid on 15th January 1982 the total dividend for the year will be 15p per share (1980: 10.5p). The total cost of these dividends will be £20.6m.

RESULTS. Investment income in the shareholders' fund increased by 20 per cent to £88.3m. The pre-tax profits of Grovewood Securities were £15.8m which with £0.1m from associated companies brought the total income from investments to £104.2m (1980: £88.1m). Shareholders' long term profits were £14.3m (1980: £11.8m) after grossing up for income tax and corporation tax. General insurance underwriting made a loss of £42.7m (1980: £32.5m). General business premium income increased by 8 per cent. Overall pre-tax profits were £73.8m against £65.9m in 1980.



Sir Denis Mountain, Bt., Chairman.

		1981 £m		1980 £m
PREMIUM INCOME				
Fire, accident and motor	452.6		422.4	
Marine, aviation and transport	24.7	477.3	20.1	442.5
Long term—annual premiums	164.0		149.6	
—single premiums	120.0	284.0	72.1	221.7
		761.3		664.2

PROFIT AND LOSS ACCOUNT		1981 £m		1980 £m
Investment income*		88.3		73.8
Profits of Grovewood Securities		15.8		14.4
Share of associated companies' results		0.1		(0.1)
Shareholders' long term profits		14.3		11.8
Underwriting loss		(42.7)		(32.5)
Expenses not charged to other accounts		(2.0)		(1.5)
Surplus		73.8		65.9**
Taxation		31.9		25.6
Minority interests		3.4		3.2
Net surplus for year available for appropriation		38.5		37.1
Staff profit sharing scheme	2.5		1.4	
Less taxation	1.3	1.2	0.7	0.7
		37.3		36.4
Transfer to catastrophe reserve		2.0		2.0
Dividends		20.6		14.3
Balance added to retained profits and reserves		14.7		20.1

*After deducting £2.2m in respect of interest on loan notes (1980: £2.1m).
**After transfer from catastrophe reserve.

GENERAL COMMENTS. Throughout the world insurance underwriting has further deteriorated. Excess capacity and the effect of the recession on the availability of business have continued to increase competitive pressures.

INVESTMENTS. Investment income increased by 20 per cent. This most satisfactory result was helped by high interest rates and a positive cash flow.
The free reserves of the group, including capital appreciation on investments other than those of the long-term insurance funds, amounted to 87 per cent of general insurance business premium income.

GENERAL INSURANCE. Our overall result is analysed by territory in the following table which includes an estimate of that part of investment income which arises on insurance funds:—

	Premium income £m	Underwriting result £m	Investment income less expenses £m	1981 Total £m	1980 Total £m
United Kingdom and the Republic of Ireland*	364.5	(26.6)	55.2	28.6	21.5**
Australia	22.0	(7.6)	2.0	(5.6)	(1.7)
Belgium	25.8	(2.9)	3.6	0.7	1.0
South Africa	46.7	(2.4)	3.1	0.7	2.5
USA	8.4	(0.6)	0.8	0.2	0.4
Other territories	9.9	(1.4)	1.5	0.1	(0.4)
Additional provision for unexpired risks (overseas business)		(1.2)		(1.2)	(0.8)
	477.3	(42.7)	66.2	23.5	22.5
Attributable to shareholders' funds			36.0	36.0	31.6
		(42.7)	102.2	59.5	54.1

*Including reinsurance and world-wide marine and aviation.
**After transfer from catastrophe reserve.

UNITED KINGDOM. There was fierce competition in all classes of business for the reducing volume of premium. There was an underwriting loss of £26.2m (1980: £25.0m) but after taking investment income on the funds into account there was a profit of £18.9m (1980: £13.0m). Both fire and "all-in" accounts suffered from the severe weather in December. There was an underwriting loss in the fire account of £2.1m (1980: £0.7m) and in the "all-in" account of £5.9m (1980: £4.2m). The motor account showed an underwriting loss of £6.5m (1980: £5.9m). In the liability account there has been an increase in late reported claims from earlier years arising from industrial diseases. There was an underwriting loss of £9.6m (1980: £13.1m).

OVERSEAS. There was an overall underwriting loss of £16.1m (1980: £7.2m) and a loss after attributable investment income of £5.1m (1980: profit £1.0m). The major part of the underwriting loss arose in Australia where the situation was exacerbated by the non-recurring effects of a recent court decision and the need to strengthen provisions for claims from earlier years. In South Africa after many profitable years there was an underwriting loss. In Belgium and the USA results were satisfactory.

MARINE AND AVIATION. Current underwriting is likely to prove unprofitable. The 1978 underwriting account was closed showing a small surplus and this together with provisions from earlier years no longer required enabled us to strengthen the open underwriting years and also to make a transfer of £1.0m to profit and loss account. The fund at the end of the year amounted to 143 per cent of premiums.

LIFE. World-wide new business produced new annual premiums of £39.7m (1980: £38.8m) and single premiums and considerations for annuities amounted to £120.0m (1980: £72.1m). The annual valuation of the UK life funds has again resulted in increased bonuses to policyholders. Profits transferred to the shareholders' account were £8.1m (1980: £6.9m) net of tax, with a grossed-up value of £14.4m (1980: £11.7m) and after transfers in respect of non-UK subsidiaries the total amount was £14.3m.

GROVEWOOD SECURITIES LIMITED. In a continuing difficult economic climate Grovewood Securities produced a record profit for the fourteenth consecutive year, pre-tax profit rising to £15.8m (1980: £14.4m)

Copies of the Report and Accounts for 1981 and the Chairman's Statement will be sent to shareholders on 8th April 1982.

Eagle Star Holdings PLC
1, Threadneedle Street, London EC2R 8BE

UK COMPANY NEWS

Surge in Pru life profits offsets big insurance loss

A NEAR 40 per cent rise in life profits last year, from £402.2m to £550.2m, enabled Prudential Corporation to lift its 1981 dividend by 13.6 per cent from 11p to 12.5p, with a final of 8p. With-profit policyholders receive a 35 per cent increase in their bonus allocation from £372m to £508m.

The shareholders' portion of life profits, up from £29.5m to £41.5m, offset very poor results from general insurance business. Where underwriting losses nearly doubled from £33.9m to £59m.

Losses in Canada jumped from £2.9m to £10.4m, despite rate increases, while losses from the specialist reinsurance subsidiary, Mercantile and General Reinsurance, rose from £12.4m to £23.3m.

Investment income on general insurance funds improved 37 per cent from £33.6m to £46.1m, but this failed to cover underwriting losses and the general insurance branch made a pre-tax loss of £12.9m. A tax credit trimmed the after-tax loss to £8.2m, compared with a profit of £2.5m.

Investment income on shareholders' funds rose 6 per cent from £18.7m to £19.8m. Miscellaneous income more than doubled from £1m to £2.2m, arising mainly from the growing business from Prudential Portfolio Managers—the segregated pension fund investment management service. But higher expenses and tax charges cut the after tax profit from £10.5m to £9.9m.

The net result was that the buoyant life profits enabled the total after-tax profits of the Corporation to improve marginally from £42.5m to £43.2m, with earnings per share rising from 14.2p to 14.5p. The dividend is covered just 1.16 times.

Premium income on the general insurance branch showed strong growth in sterling terms rising nearly 25 per cent from £456m to £569m. Premium income in the life branch rose 16 per cent to £1.19bn.

Underwriting losses on UK general insurance business worsened slightly on the year from £9.3m to £9.7m on premium income up by 16 per cent from £173.4m to £201.7m. The results would have shown an improvement but for the bad weather in December which cost the group around £5m. Premium income on the domestic household account rose by 27 per cent following rate increases in 1980 and 1981, but the underwriting loss was still £5m against £6.7m in 1980. Motor insurance premiums rose 10 per cent and the underwriting loss was cut by one-third from £3.3m to £2.2m.

The adverse results of Mercantile and General reflect the excessively competitive market in international reinsurance and the worldwide problems facing the insurance and reinsurance industry. Underwriting results continued unprofitable especially in Australia. The group has again strengthened its technical reserves, particularly for long tail liability business.

The total free assets of the group at the end of 1981 represented 49 per cent of short-term general insurance premiums, compared with 60 per cent at the end of 1980. This reflects the considerable growth in premium income not accompanied by a rise in asset values.

The good performance from the life funds in 1981 owed much to the Pru's heavy involvement in equities and property. The Pru was again a steady investor overseas, putting £100m in overseas equities — the same as in 1980 — with slightly more emphasis in the U.S. compared with Japan and the Far East. But it invested more in UK equities last year than in 1980.

Last year's investment brought total overseas holdings to around five per cent of the total portfolio, compared with four per cent at the end of 1980. The Pru envisage that future overseas investment will keep the ratio at this level.

With-profit policyholders in both life branches get high reversionary and terminal bonuses, plus a new additional reversionary bonus declared for the first time for policies used in 1980 or earlier.

In the Ordinary branch, the reversionary bonus on assurances rises 20p to £5.30 per cent of the sum assured plus an additional reversionary bonus of 20p per cent for each year prior to 1981 up to a maximum of £3 per cent. The terminal bonus scale ranges from £25 per cent of the sum assured for 10 years in force to £150 per cent for 30 or more years. The previous scale varied from £17.70 to £123.60.

The reversionary bonus on individual retirement annuities is lifted 40p to £8.20 per cent of the basic benefit, with higher terminal bonus scales.

The reversionary bonus in the Industrial Branch is also lifted 20p to £3.60 per cent of the sum assured, with the same rate of additional bonus as for the Ordinary branch.

See Lex

Firmin rises to £430,000

Second half pre-tax profits of Firmin and Sons improved from last time's £162,000 to £235,000 and lifted the total for 1981 to £430,000, compared with £334,000.

The net dividend for the year is being increased from 3.5p to 4p by a final of 3p despite a drop in stated earnings per 25p share of 1.5p to 8.1p after a higher tax charge of £218,000, against £85,000.

Group turnover amounted to £2.57m (£2.21m)—it manufactures badges, buttons and military ornaments.

UK retail side hits Church

AS EXPECTED, there were lower profits from the UK retail companies of Church and Company, shoe retailer, wholesaler and manufacturer, which left the taxable total down from £1.96m to £1.56m for the whole of 1981.

The directors say that since the year end R. P. Ellen has merged with A. Jones resulting in administrative savings.

The UK manufacturing companies increased their profits by 147 per cent and the U.S. and Canadian subsidiaries also increased their contribution. Overseas profits accounted for 52 per cent of the group total.

Directors say that the UK factories are still "very busy and exports exceptionally buoyant."

Turnover for the 12 months amounted to £35.56m (£32.24m) and trading profits of £2.26m (£2.73m) were subject to interest charges, down slightly from £776,000 to £705,000.

After tax, £499,000 (£457,000) and minority interests £6,000 (£8,000), the attributable balance was £1.05m (£1.49m), of which dividends will absorb £443,000 against £417,000.

Earnings per share are shown as 20.2p, compared with 28.6p.

Profits, before tax, of subsidiary A. Jones and Sons dropped from £1.13m to £296,000 for the year, on turnover of £16.14m (£15.32m).

LISTINGS CANCELLED

Listings cancelled—they have all been temporarily suspended for over three years: Town and Commercial Properties — ordinary and 6½ per cent loan stock 1983; Simo Securities Trust—8½ per cent loan stock 1987-92; David Charles—ordinary and 10 per cent redeemable preference; Highlight Sports ordinary shares; Edward Bates and Sons (Holdings) ordinary; Century Securities ordinary.

DRG down £2.5m but better trend

THERE WAS a pick up in profitability in the second half of 1981 at DRG but the group, which has interests in packaging, stationery and engineering, ended the year with pre-tax profits £2.5m lower at £15.5m. Interim taxable figures had fallen from £10.8m to £4.7m.

The final dividend is being maintained at 3p net for an unchanged total of 6p per 25p share. Stated earnings per share, before extraordinary items, were down from 9.6p to 7.2p.

Group turnover for 1981 was marginally lower at £567.4m (£568.2m), but sales to customers rose from £520.3m to £534.9m. Trading profits decreased from £27.6m to £24.8m with UK results down by £2.7m to £9m. At halftime, UK profits had tumbled from £5.3m to £1.1m.

Mr John Camm, the chairman, comments that while the second-half UK results are not regarded in any way satisfactory, they do indicate an improvement. He does not expect increases in consumer demand to provide additional volume in 1982.

The group is planning to improve profits but this will derive from control of costs and increased productivity from its ongoing businesses, he states.

The pattern of profitability in the UK for the year as a whole reflected a continuation of the difficult market conditions which prevailed during the second half of 1980. DRG's main manufacturing businesses in packaging and stationery suffered from falling demand as customers continued to destock and aggressive pricing for available business eroded margins. The trading and engineering operations, however, improved earnings.

Substantial progress has continued to be made in slimming the UK businesses in order to improve competitiveness in home and international markets. This has involved a further reduction of 3,000 in numbers employed, which has been achieved without reducing the productive capacity of DRG's ongoing businesses.

Overseas profits were little changed at £15.8m (£15.9m) with results affected by a lower level of profitability in the second half. In Canada, after a good first half, business in the third quarter was severely hit by a five-week mail strike and a downturn in demand for packaging as customers destocked.

The chairman says profits in South Africa were disappointing, particularly following the optimism expressed at halfway. In addition to a decline in sales of flexible packaging due to lower demand in the fourth quarter—normally a period of high activity—the misrepresentation in local management reporting of DRG Stationery's trading results led to a profit shortfall of some R2.5m against expectations at the interim stage. Action has been taken to restore the position.

Papeteries de la Couronne increased its share of the French stationery and envelope market and achieved record levels of output and profits. The New Zealand and Australian companies produced higher profits in testing trading conditions.

A divisional breakdown of UK trading profits shows: packaging-consumer £2.8m (£4.1m) and industrial £1m (£2.1m); manufactured stationery £3.5m (same); paper and board £0.5m loss (£2.1m profit); trading £1.9m (£1.3m); engineering £2.5m (£1.8m). Losses from discontinued businesses fell from £3.7m to £2.2m and there were unallocated central profits of £0.5m last time.

Overseas profits were split geographically as to: Europe £4.1m (£3.5m); North America £2.6m (£3.1m); South Africa £7.3m (£7.7m) and Australia £1.8m (£1.6m).

Group trading profits were before crediting a £0.6m (£0.5m) share from associates, and debiting net interest payable of £9.9m (£10.1m). Tax charge took £6.9m (£7.5m) and after minorities, earnings before extraordinary items showed a fall from £8m to £6m.

Extraordinary debits decreased from £8m to £3.4m and with dividends again costing £5m, the group had a deficit of £2.4m (£5m). The 1981 extraordinary items comprised £5.6m for reorganisation costs, less a surplus of £1.8m on certain properties stated at net realisable value and tax relief.

In current cost terms, pre-tax profits were cut to £2m (£2.5m) and after all charges the deficit was £22.7m (£19.4m).

Demand for cash in the year resulted in an outflow of £9.3m, of which £7.6m was outside the UK, caused mainly by a heavy overseas capital expenditure programme. Despite spending £13.3m on reorganisation, the outflow in the UK was limited to £1.7m due to another major effort to reduce working capital employed. There remain substantial surplus assets realised as a result of reorganisation, which the group is in the process of realising.

Overall capital investment in new plant was maintained at the same level as in 1980.

● comment

In current cost terms DRG's attributable loss for 1981 came out at an awesome £17.7m, yet the shares responded yesterday by jumping up to 56p (nearly one-fifth higher on the day). The historic figures were probably somewhat better than the market had expected, while the price had been reflecting an excess of caution about the dividend (maintained, as it turned out). DRG has carried on boiling down its UK operations; the workforce has come down from 20,000 to about 13,500 (counting the latest round of closures). 15 paper machines have been cut to three, and product ranges severely pruned. Over 1981 3,000 stationery lines were eliminated, three-quarters of the total. DRG is already feeling some benefit from lower wage bills and more efficient use of working capital, and the cutbacks have thrown up a considerable amount of property—in due course to be transformed into cash. There is, so far, little evidence of a revival in demand for the group and it must rely on following through internal changes for an improved result in 1982. Assuming broadly static performance overseas—except in South Africa, where corrective action could bear fruit this year—DRG might make £18m before tax. But it is the yield—now 10.3 per cent—which will have to sustain the share price meanwhile.

Meggitt sees first half loss

THE DIFFICULT trading conditions last year at Meggitt Holdings have continued into the current year, which inevitably means that there will be a loss for the first half, Mr J. O. T. Taylor told members yesterday.

He is encouraged, however, by the significantly higher level of inquiries and intake of new orders this year.

He adds that the company still has a long way to go to full recovery and 1982 is likely to remain difficult.

Consultants computer expansion

PRE-TAX profits of Consultants (Computer and Financial) were ahead at £106,309 for 1981 against £82,964 the previous year and turnover rose from £414,440 to £716,533.

The company, which provides computer systems and a computer consultancy service, achieved a trading profit increase of 103 per cent at half year to £61,062 (£30,025).

As forecast when the company was first quoted on the USM last April, no dividend is to be paid for 1981. Stated earnings per 10p share were slightly up at 11p against 10.5p.

The directors say the outlook for 1982 is encouraging and that interest in the group's activities is at its strongest, particularly Fiscal, Ships and Tims, the investment management system.

Last year there was a tax credit of £101 against a charge of £9,481 previously, leaving after-tax profits of £100,310 (£73,503).

There was an extraordinary debit of £28,125 (nil)—a write off of goodwill, say the directors.

Modest improvement at R. Clay

AS EXPECTED at midway trading conditions for Richard Clay and Company, book printer and binder, have shown an overall modest improvement.

Although the group incurred a pre-tax loss of £354,000 for the year to January 1, 1982, compared with a profit of £581,000, the figures included exceptional debits of £787,000 (£271,000) and net interest charges of £162,000, against a credit of £5,000.

Management accounts indicate that the group is now trading profitably and that its cash position has improved. As a token of their confidence in the anticipated recovery in the group's trading results the directors are proposing a dividend of 1p net per 25p share (the interim was passed) which compares with a total of 3p the previous year. Loss per share is given as 13.1p (7.87p earnings).

Turnover for the year rose from £13.21m to £18.96m and the directors point out that the group's order books in general are "at better levels now than a year ago." Productivity has improved and the group is producing a greater output than in 1980 with a reduced workforce, they add.

Apart from the exceptional item, which related to the cost of redundancies, pre-tax profits included a surplus of £197,000 (£263,000) being the release from discount on acquisition.

There was a tax charge of £129,000 (£128,000 credit) and after dividend payments of £94,000 (£273,000) there was a loss of £1.18m, compared with a profit of £436,000.

At the six months stage, the group had fallen from a pre-tax surplus of £333,942 last time to a deficit of £582,000.

● comment

With no closure of operations, Richard Clay's redundancy costs are taken above the line, giving pre-tax profits a rather unappealing aspect, and it was revaluation of type metal that brought second-half trading profits £45,000 above break-even. But the shedding of 230 jobs will save the company about £1¼m this year, and last year's wage rise was only about 6 per cent, compared with 1980's 28 per cent. The Fakenham business, acquired in 1978, has again made a loss, but is expected to contribute to profits this year. The best news in 1981 was the decline in the strength of sterling, aiding direct and indirect exports, and hitting dumping by U.S. Richard Clay claims increased market share, with Mills and Boon continuing to find new outlets. Still with a strong balance sheet, Clay having passed the interim dividend, is paying a small final. The share price gained 1p yesterday to 42p, yielding 3.4 per cent. Assets per share are now almost 3½ times the share price.

Maynards slips below budget

DESPITE the recession, the lower level of consumer spending and the loss of sales because of bad weather the results for the first six months at Maynards, confectioner, are considered reasonable, says Mr H. Peter Salmon, chairman, although they are below budget.

Sales rose by 24.4 per cent from £31.39m to £39.05m for the period to December 1981, but pre-tax profits slipped from £1.52m to £1.36m.

"Nineteen eighty-two looks like being an even more difficult year than 1981," says Mr Salmon, "and a year when it will be essential for us to be as flexible as possible." He finds it difficult to see any likely upturn in trading conditions which is essential before the group can capitalise on internal reorganisations.

Mr Salmon points out that the recession and the high level of unemployment adversely affected consumer spending, and sales were also lost in the vital pre-Christmas trading period because of the bad weather.

The two trading periods are not strictly comparable, says Mr Salmon, since the 1981 trading period ended on January 2 1982 (December 27 1980). There were also additional operating costs as a result of factories being closed for the Christmas holiday week.

Industry statistics for 1981 show a further decline of 2.5 per cent in demand for sugar confectionery, says Mr Salmon. The manufacturing division achieved a 2.5 per cent increase in the highly competitive UK market while suffering from lower export demand and increased raw material and utility costs—leading to a further squeeze on profits.

The results of the amalgamation of Sun D'Or and Maynards ranges are being closely examined in relation to the group's place in the confectionery market, bearing in mind prospects for the industry, says Mr Salmon.

Reduced demand in retailing has been aggravated by increased costs imposed by outside agencies, says Mr Salmon. Despite this the retailing side has performed reasonably well, but both divisions were affected by the December weather. The effect on the toy retailing division, whose shops are mainly in city shopping centres, was particularly severe.

The interim dividend has been repeated at 3.125p. Last year's total was 9.375p paid from pre-tax profits of £3m on sales of £67.36m.

Pre-tax profits were struck after depreciation of £273,000 (£284,000) exceptional items which included credits of £108,000 (£40,000) in property sales, and reorganisation and redundancy costs this time of £68,000. There was an interest charge of £60,000, against a credit of £51,000 previously.

BICC

1981 Results and Final Dividend

PROFIT BEFORE TAXATION increased from £74.6 million to £101.9 million.

CURRENT COST PROFIT BEFORE TAXATION up from £55.1 million to £81.3 million.

CONTINUED STRONG PERFORMANCE in overseas cable-making but lower profits in UK.

EARNINGS PER SHARE up 9% at 25.2p on historic cost basis.

DIVIDENDS increased by 10% to 10.37p per share.

CAPITAL EXPENDITURE on plant and equipment up 25%.

ACQUISITIONS costing £73 million, principally in the electronic components sector.

RIGHTS ISSUE and other share issues during 1981 raised £72 million net of expenses.

FINANCIAL POSITION remains strong with gross debt at 40% of shareholders' funds.

OUTLOOK – continuing sound progress expected.

Group results for the year ended 31 December

	1981 £m	1980 £m
HISTORIC COST BASIS		
Sales	1604.3	1364.8
Operating profit	109.6	86.6
Finance charges	7.7	12.0
Profit before taxation	101.9	74.6
Taxation	41.9	28.6
Profit after taxation	60.0	46.0
Minority interests	18.0	9.8
Attributable profit	42.0	36.2
CURRENT COST BASIS		
Profit before taxation	81.3	55.1
Attributable profit	25.8	21.1
EARNINGS PER SHARE	p	p
Historic cost basis	25.2	23.1
Current cost basis	15.5	19.4
DIVIDENDS PER SHARE	10.37	9.43

The final ordinary dividend of 7.04p per share (1980: 6.40p per share) will, if approved, be paid to ordinary shareholders registered in the books of the Company on 21 May 1982. Warrants will be posted on 29 June 1982, payable 1 July 1982.

The complete press release is available from the Secretary, BICC plc, P.O. Box No. 5, 21 Bloomsbury Street, London WC1B 3QN.

The 1981 annual report will be posted to share and loan stock holders on 24 April 1982.

The annual general meeting will be held in the Methven Room, Centre Point, 103 New Oxford Street, London WC1A 1DU, on 20 May 1982 at 12 noon.

The above historic cost results exclude (a) extraordinary losses of £6.7m (1980: £3.5m) and (b) a special tax credit in 1980 of £10.6m.

BICC

Cable-makers

Civil, electrical and mechanical engineering and construction

Electrical and electronic components

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$300	—	—	25	52	—	—	$332.25
GOLD C	$325	65	21	44	35	—	—	"
GOLD C	$350	115	10.8	4	23	33	24	"
GOLD C	$375	5	4.20 A	3	14	—	—	"
GOLD C	$400	—	—	—	—	86	15	"
GOLD C	$425	—	—	10	5.10	—	—	"
GOLD P	$300	155	—	29	10 A	—	—	"
GOLD P	$325	7	10.60	27	17	—	—	"
GOLD P	$350	11	24	—	—	—	—	"
GOLD P	$375	—	—	63	39.50	—	—	"
12½% NL 81 87-91								
C	F.107.60	10	5.60	100	6	—	—	F.112.60
C	F.110	—	—	308	3.60	40	4.40	"
C	F.112.50	129	1.60	25	2.30	—	—	"
P	F.107.50	—	—	100	0.20	—	—	"
P	F.110	—	—	—	—	40	1.10 B	"
P	F.112.50	—	—	1030	1.30	—	—	"
10½ NL 80 86-95								
C	F.100	205	3.50 A	198	3.90	10	4.80 A	F.103.20
C	F.102.50	—	—	35	2.20	—	—	"
P	F.102.50	—	—	20	1.10	—	—	"
11½ NL 82 88-93								
C	F.102.50	1474	2.10	140	2.60	10	—	F.104.20
C	F.105	182	1	106	1.50	40	2	"
P	F.102.50	—	—	20	0.40	—	—	"
		April		July		Oct.		
AKZO C	F.27.50	50	1.70	10	2.60	42	3	F.29
AKZO C	F.30	40	0.60	41	1.20	104	1.60	"
AMRO C	F.50	—	—	10	3.40	—	—	F.51.50
AMRO C	F.55	10	0.30	—	—	—	—	"
HEIN C	F.45	50	8.20 B	—	—	—	—	F.53.30
HEIN C	F.50	6	3.80	10	5	—	—	"
HEIN C	F.55	47	0.80	10	2	—	—	"
IBM P	$60	10	1¼	—	—	—	—	$59⅞
KLM C	F.90	23	19.60	—	—	—	—	F.108.70
KLM C	F.100	70	10.20	—	—	—	—	"
KLM C	F.110	102	4.20	156	9.70	—	—	"
KLM C	F.120	72	1.20	11	—	—	—	"
KLM P	F.90	20	0.50	11	2.20	—	—	"
KLM P	F.100	71	1.30	36	4.50	—	—	"
KLM P	F.110	106	5.60	17	7.60	—	—	"
KLM P	F.120	10	12.60	—	—	—	—	"
NEDL C	F.110	—	—	46	15 A	—	—	F.118.50
NEDL C	F.120	27	4.20	53	8.50	—	—	"
NEDL C	F.130	99	1	63	5	—	—	"
NEDL C	F.140	31	0.50	24	3.10	—	—	"
NEDL P	F.120	57	4.50 B	—	—	—	—	"
NEDL P	F.130	20	12 B	—	—	—	—	"
NATN C	F.100	10	6	—	—	—	—	"
NATN C	F.105	10	4.50	—	—	—	—	"
NATN C	F.110	37	1.60	10	3.50	10	4.30	F.109.40
NATN C	F.115	—	—	15	1.40	—	—	"
NATN P	F.110	—	—	10	4.80	—	—	"
PHIL C	F.17.50	—	—	1	5	—	—	F.23
PHIL C	F.20	44	3.40	30	3.60	—	—	"
PHIL C	F.22.50	76	1.10	77	1.70	393	2.40	"
PHIL C	F.25	65	0.20	143	0.90	124	1.20	"
PHIL P	F.25	—	—	12	2.30	10	2.60 B	"
RD C	F.70	20	13.80	—	—	—	—	F.83.60
RD C	F.80	151	4.70	97	6	—	—	"
RD C	F.90	220	0.60	97	2	86	3.30	"
RD P	F.80	6	1.70	10	0.80	—	—	"
RD P	F.90	—	—	10	7.60	—	—	"
UNIL C	F.140	—	—	45	15.60	—	—	F.153.90
UNIL C	F.150	34	5.20 A	28	24.60	—	—	"
UNIL C	F.160	65	1.00	14	6	—	—	"

TOTAL VOLUME IN CONTRACTS: 5619

A=Asked B=Bid C=Call P=Put

SIRDAR Interim Report

Mrs. J. M. Tyrrell reports:

- Half-year profits substantially increased.
- Second-half year expected to be equally good.
- Hand knitting market slightly more buoyant, but no very marked improvement yet.
- Interim Dividend (net) of 1.6p per share (1981: 1.35p).

Summary of half-year results

(Unaudited)

	28 weeks ended 8th January 1982 £000	28 weeks ended 17th January 1981 £000	Year ended 30th June 1981 £000
Turnover	15,451	14,366	27,650
Trading Profit	2,801	2,350	5,202
Interest and other income	127	(55)	112
Profit before Taxation	2,928	2,295	5,314
Taxation (UK tax 52%)	(1,084)	(965)	(1,852)
Profit for the period	1,844	1,330	3,462
Earnings per share pre-tax	12.2p	9.61p	22.2p
Earnings per share after-tax	7.7p	5.5p	14.4p
Dividends per share	1.6p	1.35p	3.5p

Note: Earnings and Dividend figures have been restated to reflect the 1-for-1 Scrip Issue in October 1981.

Sirdar PLC

Flanshaw Lane, Alverthorpe, Wakefield WF2 9ND.

UK COMPANY NEWS

Rockware improves in second half

AFTER losses of £1.35m in the first half, Rockware Group returned to profits of £0.9m in 1981 against £0.47m in 1980.

Although no interim dividend was declared, a final payment of 3.1p per 25p share is being repeated. Stated earnings per share are 2.61p compared with 0.28p previously.

The group, which manufactures glass and plastic containers, reports a drop in turnover from £169.8m to £161.8m and an operating profit before interest and exceptional items of £8.44m (£8.62m). Associated companies contributed a loss of £77,000 against a profit of £167,000 last time.

A divisional breakdown of turnover and operating profit before interest shows: glass (including parent company and minor subsidiary results) £112.9m (£116.2m) and £5.6m (£4.4m); plastics £46.2m (£48.9m) and £1.2m (£1.1m); engineering £2.39m (£4.67m) and £1.15m loss (£89,000 profit). Operating profits are shown after deducting exceptional items of £0.8m (£3.02m) mainly in respect of redundancy costs.

The directors say they believe further actions they have taken will bring the company forward into better times and profitability this year.

They say the glass company was affected for the second year by reductions of some 5 per cent in sales volume for the industry. The redundancies announced at the interim stage and other economy measures cut unit costs but the savings were passed largely to customers.

The St Helens factory was closed at the beginning of December with a consequent extraordinary cost of £10.7m.

The directors say they have maintained their share of the glass market and do not anticipate any loss in this area as some facilities have been re-opened at other factories in the group.

They point out that although the performance of UK plastics companies have been disappointing compared with previous years and with their expectations, the group of four factories did well relative to most of the group.

They add that there has been considerable rationalisation since the end of the year, the costs of which will be borne in 1982.

The engineering division performance was good despite considerable short time working and except for Kingspeed which generated heavy losses, they say.

Interest was lower at £4.66m against £5.3m. After £225,000 (£145,000) profit after tax was £674,000 (£327,000). There was a profit on exchange translation of £19,000 compared with a loss of £118,000 last time.

Minority interests took £85,000 (£114,000) while extraordinary item debits were increased at £10.7m compared with £131,000.

There were increased retained losses of £10.59m compared with £531,000 after dividend payments of £496,000 (£495,000).

On a CCA basis, there were pre-tax losses of £2.6m against £5.2m.

● comment

Competition in glass manufacturing remains white-hot, but it was the engineering division, with turnover halved and a loss of over £1m pre-tax and interest, which let Rockware down. The group as a whole seems to be recovering, with a £5.3m turnaround second half on second half. The St Helens plant had been losing about £1½m a year; its closure this month, at a cost of £10.7m, means that Rockware has shed about 45 per cent of its 1979 workforce. The company claims that market share will not be affected, but the problem is the shrunken state of the market itself. December's 8 per cent price rise is not having an easy ride, but Rockware claims that customers' stocks are now at an irreducible minimum, and on the energy costs front, Mr Howe has proved to be on the side of the angels. Gearing is down to about 40 per cent, but a long, hard look at the balance-sheet is needed if, as seems possible, Rockware follows Metal Box and Redfearn into PET bottle manufacture. After the results, the shares gained 8p to close at 71p, yielding 4.35 per cent on the maintained solitary pay-out. A continuing attraction is the net asset value of 284.2p per share. Pilkington holds 19.5 per cent of the equity.

Hepworth Ceramic hits £24m

TAXABLE PROFITS of Hepworth Ceramic Holdings advanced from £22.29m to £24.15m for 1981 on turnover of £289.73m, compared with £263.21m.

The figures included a share of losses less profit of associated companies, higher at £746,000 (£445,000), and was after interest payable of £2.54m, against a credit last time of £430,000.

Tax was sharply ahead at £8.39m (£8.31m) and after similar extraordinary debits of £6.24m (£6.04m) the attributable profit emerged slightly lower at £9.51m, against £9.94m.

However, a same-again final dividend of 3p maintains the net total at 5.25p per 25p share. Stated earnings per share declined marginally from 10.2p to 10p.

A breakdown of turnover and trading profits (£27.4m, compared with £22.3m) before extraordinary debits by division shows: clayware £95.8m (£93.3m) and £12.8m (£12m); refractories £45.5m (£48.2m) and £2.2m (£2.1m loss); industrial sand and minerals £54.6m (£50.6m) and £7.4m (£8.3m); plastics £68.4m (£47m) and £3.2m (£2.3m); foundry resins and equipment £18.6m (£17.8m) and £1m (£0.7m); and engineering and miscellaneous £12.3m (£11.7m) and £0.8m (£1.1m). Inter-divisional turnover totalled £5.5m (£5.4m).

The extraordinary debits resulted from a further restructuring in the clayware and refractories divisions and comprised £606,000 for closure costs less tax relief and £5.63m for closed plants written off.

CCA adjustments reduce the pre-tax figure for the year to £11.7m (£10.9m) and on the same basis earnings per share were 2.1p (2.9p).

First-half historical taxable profits came through at £12.07m (£15m) and the chairman warned that there was no sign of an upturn and that the situation remained difficult.

● comment

The flexibility of Hepworth Ceramic Holdings, which aims to keep the break-even threshold in step with sales, has been put *to a severe test over* the last two years. Harsh surgery in 1981, which included 2,500 jobs, was not enough for 1981 when turnover fell 13 per cent in real *terms. A further 600 jobs had* to be cut, 12 production units in the UK and U.S. were closed or mothballed and capital spending contained—remaining around *£12m in the current year. For* the U.S. interests, which in "normal" times would account for some 25 per cent of total profit, sales plummeted 50 per cent and there was a small loss after interest. However, stripping down has put productivity up 23 per cent. This, with more efficient kilns coming on stream, *will maintain the company's* competitive edge and any upturn in demand will give a disproportionate boost to profits. This is most likely to come in the *clayware division through its* links with the building industry. Overall current trading is about the same level as this time last year. Yesterday's below-expecta*tions results trimmed the shares* 5½p to 110p for a fully-taxed historic p/e of over 14.

Jones and Shipman slides

AFTER REDUNDANCY and termination costs of £283,000 Jones and Shipman, high precision machine tool maker, saw pre-tax profits plunge from £2.15m to £538,000 for 1981. The final dividend is 1.05p, which cuts the total payment by half to 1.8p.

Stated earnings per share were reduced from 11.8p to 5.8p. Turnover for the 12 months fell by £5.53m to £16.67m.

Profits at the interim stage were down from £1.36m to £327,000.

The order intake for the first quarter is well above that of the same period last year, say the directors, but it is still below the level *needed for the company to* generate a satisfactory return on capital employed.

The directors hope that the modest rate of recovery being experienced will *continue* to develop as the year progresses and provide consequent benefits.

Interest charges were sharply lower at £2,000 (£111,000) and government grants fell from £61,000 to £19,000.

On a current costs basis the company showed a pre-tax loss of £149,000, against previous profits of £992,000.

Clifford's Dairies surges 53%

A 53 per cent surge in pre-tax profits, from £2.16m to £3.3m, is reported by Clifford's Dairies for 1981. The result is slightly better than was anticipated at the interim stage when profits at the pre-tax level emerged at £1.63m, compared with £0.89m.

The directors say that liquid milk margins were more satisfactory, compared with inadequate margins during 1980, and that uncertainty concerning the liquid milk costings system are largely resolved.

They add that there were higher volumes in most areas of the group's business, particularly fruit juice.

Although earnings per share are shown as being lower at 20.13p (21.95p) an increased final dividend of 3.5p (2.75p) raises the net total by 1p to 5p per 25p share.

Group turnover for the year increased by 13 per cent to £55.9m (£49.48m) and trading profits came through ahead at £3.65m (£2.64m).

The pre-tax figure included a share of associates of £231,000 (£224,000) and was after interest charges of £563,000 (£708,000).

Tax took £682,000 (£324,000 credit) and after extraordinary credits of £140,000 (£27,000), mainly profits from the sale of land and buildings, the attributable balance emerged at £2.59m (£2.51m) out of which dividend payments will absorb £608,000 (£486,000).

During the year £3m was invested in new buildings, plant and vehicles including completion of the Kidlington juice factory. Total borrowings were reduced by more than £1m.

Shareholders' funds are 195p per share including goodwill shown in the accounts equal to 28p per share.

Current cost accounting reduces the pre-tax figure to £2.78m (£1.72m) and on the same basis earnings per share were 15.87p (18.06p).

● comment

Clifford's has performed a bit better than expected thanks to improved milk margins. The group has been able to expand its milk business in growing areas such as Bristol, Berkshire and Oxford, which have not been as badly hit by unemployment. Fruit juice is now 5 to 6 per cent of overall sales and has the capacity to grow further. The competition is tough in this area, however, and Clifford's will have to run hard to improve its position in this market. A property revaluation at the time of the Unigate bid and a subsequent rights issue more than doubled the group's net capital employed in the last two years. However, return on it has dropped from a peak of 26 per cent in 1979 to less than 16 per cent in 1981. This could be one reason why the shares have not budged from 200p despite the 25 per cent increase in the dividend. The fully-taxed p/e of *more than 15 seems to be expect*ing more than the mature milk market can deliver over the longer-term. The historic yield on the thinly traded shares is 2.4 per cent.

Bank Leumi rights issue to raise £2.5m

Bank Leumi (UK) proposes to raise about £2.5m with a rights issue of one-for-two shares held on March 23 at 170p per share.

The issue is being underwritten by the bank's parent *company*, Bank Leumi le-Israel BM, which will exercise its rights in respect of its 74.78 per cent holding in the bank.

The brokers to the issue are Cazenove and Co.

Dealings in the new shares are expected to start on April 20. The latest time for application for excess shares will be 3 pm on May 13.

The new shares will not rank for the interim dividend to be paid in August.

Berwick Timpo loss: no final

A VERY disappointing year for Berwick Timpo, the toy manu*facturer, has seen the group* making pre-tax losses of £467,217 for 1981, against profits of £1.08m *previously. In the light of the year's results*, no final dividend is being recommended.

Half-year losses had increased from £288,000 last time to £416,000. The interim dividend, however, was maintained at 2p and this payment therefore now compares with a total of 6p in 1980. Stated yearly loss per 25p share was 8.5p (21.1p earnings).

Mr J. D. Oakley, the chairman, reports that in the current year the company's performance against budget indicates a return to profit. If this performance *continues, the board would expect* to be able to recommend a dividend for this year.

Sales for 1981 decline from £14.44m to £13.23m. In addition *to a drop in volume, difficult* trading conditions had an adverse effect on margins. Large quantities of clearance merchandise from home and abroad continued to be brought to the market which affected sales of the *standard ranges* of British manufacturers.

Mr Oakley says that in these circumstances the board took a particularly severe view of the company's stock at the year end and the resulting write-offs are reflected in the trading loss.

During the year the company reduced its operating costs very significantly and this included making a substantial number of redundancies. The full financial benefits of this will be reflected in the current year, the chairman *states*.

Conditions continue to be very difficult and the company's High Street customers are still trading at a low level. Mr Oakley says "a continuation of the current economic circumstances would make it very difficult for us to achieve an increase in volume in the current year. Nevertheless, the cost reductions we *have* achieved mean that we would return to profit at a lower volume of sales than last year."

During the preparation of the accounts it was discovered that falsifications had been perpetrated by a former employee in the 1980 accounting records of two subsidiaries which had ceased trading at the end of 1979 and whose affairs were subsequently being wound up.

The effect of the falsifications is that extraordinary costs in the group's 1980 accounts were understated by £413,904, net of tax. This amount is being treated as a prior year adjustment in the 1981 accounts.

Attributable losses for the year were £476,530, compared with *earnings of £512,684. These were* after a tax charge of £6,580 (£108,307 credit), a restated extraordinary debit of £671,289 last time, and the preference *dividend of £2,733 (same).* Ordinary dividends cost £112,422 (£338,323).

At the year end, group net assets totalled £3.58m (restated *£4.17m), while net bank borrow*ings increased from £412,168 to £622,275.

Upward trend continues at Laing Properties

SECOND HALF pre-tax profits at Laing Properties improved from £3.6m to £4.45m, and figures for the whole of 1981 advanced from £7m to £8.7m. The final is effectively raised from 2.34p to 2.75p net for a total of 4.45p against an adjusted 3.75p.

The directors of this property investment company say the development programmes both at home and in North America *are adequate in size and content* and, with the success of the 1981 convertible loan issue, the company is well-placed to pursue its policy of portfolio growth, with increasing emphasis on North America.

The year-end pre-tax profits were struck after interest charges up from £3.1m to £3.9m and administration costs of *£1.1m (same). Profit after tax* was up from £4.1m to £4.9m. Investment income for the year was £11m against £9.4m, and trading income was £2.7m *(£1.8m). Stated earnings per* 25p share were 8.8p (7.2p).

Albert Fisher loss: £0.39m rights issue

Albert Fisher Group, the fruit and vegetable wholesaler and motor repairer, has run into a loss of £20,700 for the half year ended February 25 1982, compared with £16,500 profit. The group also announces plans to raise some £385,000 by way of a rights issue on the basis of one new share for every two held at a price of 20p each.

The directors, together with certain associates, have undertaken to take up their entitlements amounting to 571,186 shares (28.6 per cent).

Turnover in the half year rose from £1.97m to £3.09m. After a tax credit of £10,800 (£8,600 charge), there is a net loss of £9,900 (£7,900 profit). For the year 1980-81 there was a profit of £76,000 from which a dividend of 0.3125p was paid.

SPAIN

March 24	Price %	+ or −
Banco Bilbao	342	−2
Banco Central	302	
Banco Exterior	305	
Banco Hispano	314	−2
Banco Ind. Cat.	110	
Banco Santander	342	−5
Banco Urquijo	204	−2
Banco Vizcaya	351	−3
Banco Zaragoza	229	−3
Dragados	148	−1
Espanola Zinc	60.5	
Fecsa	60.5	
Gal. Preciados	39	−1
Hidrola	70	
Iberduero	51.5	−1.2
Petroleos	91	−0.5
Petroliber	99	
Sogefisa	9	−1
Telefonica	71	
Union Elect.	63.5	

The growing strength of Burton

Unaudited interim results for 26 weeks ended 27th February, 1982 for The Burton Group plc:

Sales
First half sales at £116.9m were up 14% on last year, excluding activities now discontinued. Sales of menswear have increased by 15%, and womenswear by 14%. These increases have been achieved against a background of generally static consumer demand.

Profits
Trading profit at £12.8m was 19% up on last year, excluding activities now discontinued. Group operating profit at £12.5m (1981 £8.0m) improved by 56%. Profit before taxation was £14.2m (1981 £8.5m).

Interim Dividend
Increased to 2.5p (1981 2.0p) in order to adjust the imbalance between interim and final dividend.

Future
Although the current economic climate is relatively stagnant, the Directors remain confident of the Group's ability to grow.

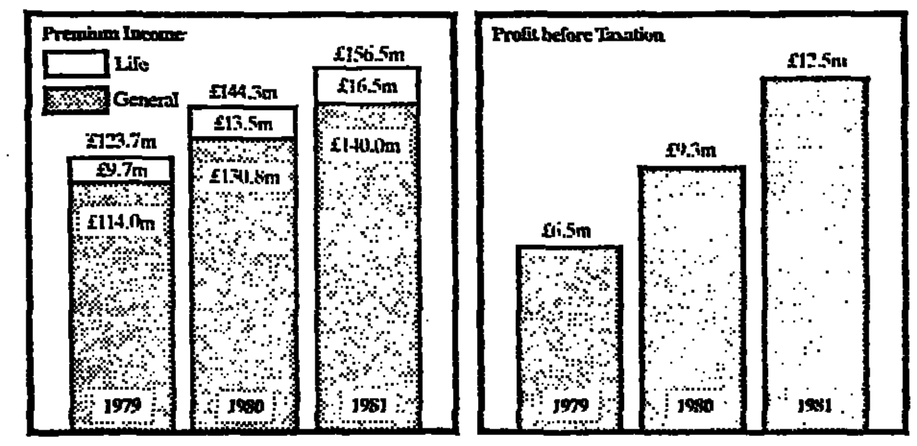
	26 weeks ended 27th February 1982 £000	26 weeks ended 28th February 1981 £000	52 weeks ended 29th August 1981 £000
Turnover—tax inclusive			
Continued activities	116,938	102,399	200,709
Discontinued activities	—	21,629	17,815
	116,938	124,028	218,524
Trading profit			
Continued activities	12,765	10,754	18,906
Discontinued activities	—	405	(250)
	12,765	11,159	18,656
Interest	(273)	(3,139)	(4,128)
Operating profit	12,492	8,020	14,528
Other income	1,676	527	1,846
Profit before taxation	14,168	8,547	16,374
Taxation	(2,100)	(696)	(2,336)
Profit after taxation	12,068	7,851	14,038

Copies of the Interim Statement may be obtained from the Secretary, The Burton Group plc, 214 Oxford Street, London W1N 9DF.

Retail divisions:
BURTON EVANS TOP SHOP DOROTHY PERKINS
TOP MAN JACKSON PETER ROBINSON

Cornhill Insurance Group 1981 Results

	1981 £000	1980 £000
Premium Income		
General business	139,994	130,795
Life business	16,483	13,508
	156,477	144,303
Profits		
General business		
Underwriting result	(5,656)	(5,572)
Investment income attributable to general insurance funds	13,123	10,842
General insurance profit	7,467	5,270
Life insurance profit	100	100
Investment income attributable to shareholders' capital and reserves	4,883	4,072
Other income	492	195
Share of associated company result	(396)	(333)
Profit before taxation	12,546	9,304



Copies of the Report & Accounts may be obtained from the Secretary at 32 Cornhill, London, EC3V 3LJ.

Cornhill Insurance Group
A member of the Thomas Tilling Group

DATED MARCH 25, 1982

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ISSUE on a yield basis of £100,000,000 LOAN STOCK 1987

The Issue Yield (as defined by, and calculated in accordance with the terms of, the Prospectus published on March 23, 1982) in respect of the above issue is 14.147 per cent. Accordingly, the above £100,000,000 Loan Stock 1987 on issue will bear interest at the rate of 14 per cent. per annum and the issue price is £99.532 per cent.

The application list will open at 10.00 a.m. today, Thursday, March 25, 1982 and will close later the same day.

Baring Brothers & Co., Limited
on behalf of
International Bank for Reconstruction and Development

KENNING MOTOR GROUP p.l.c.

Distributors and Retailers of Cars, Commercial Vehicles, Petroleum Products and Tyres. Concessionaires for John Bull Tyres; Specialists in Service and Parts. Long Term Contract Hire, Car and Van Hire. Bodybuilders. Manufacturers of Electric Road Task Vehicles and Remoulded Tyres. Operators of Motorway Service Areas. Insurance Brokers.

Year Ended 30th September 1981	1981 Group £000	1981 Zimbabwe £000	1981 Europe £000	1980 Europe £000
Turnover	257,143	15,037	242,106	242,863
Group Trading Profit	14,998	2,386	12,612	16,586
Group Net Trading Profit before Taxation	3,549	4,452	(903)	3,996
Dividends Distributed	1,163			1,795

Following the lifting of sanctions and the receipt of dividends amounting to £538,000 from Zimbabwe, these companies have been re-consolidated this year.

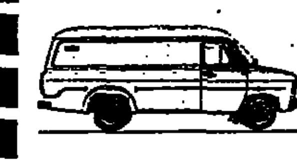
Shareholders Funds £72m (Issued Capital and Reserves)
Capital Employed £82.4m (Shareholders Funds, Debentures, Loans, Deferred Taxation and Minority Interests)
Fixed Assets £58.6m
Net Current Assets £19.8m
Number of Shareholders 5,000
Number of Employees 6,453
Value of Groups Properties £34,033,000
Number of Apprentices 302

Copies of the 1981 Report and Accounts may be obtained from the Secretary, Manor Offices, Old Road, Chesterfield.

KENNING MOTOR GROUP p.l.c.

STICK THIS ON YOUR WINDSCREEN AND READ IT EVERY TIME YOU PAY THE PETROL ATTENDANT.

WITH A DUAL FUEL CONVERSION


A FORD TRANSIT 2 LITRE L.W.B. VAN SAVES £1,000+


A FORD ESCORT ESTATE 1300 SAVES £600+


A FORD CORTINA 1600 SALOON SAVES £550+

Figures based on average annual mileage of 25,000 and manufacturer's official mpg.

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1932 **Planet** 1982

Percy Lane Group

Manufacturers of factory glazed aluminium windows for railway coaches, motor vehicles, the building industry and caravans.

Preliminary results for 1981

	1981	1980
	£'000	£'000
Turnover	22,898	19,606
Profit before tax	833	685
Earnings per share	7.4p	8.8p
Dividend cover	2.4	3.7

- Final dividend of 2.00p per share (1980 equivalent—1.59p)
- Proposed capitalisation issue of 1 for 2

Copies of the 1981 Report and Accounts will be available from the Secretary, Percy Lane Group p.l.c., 83 Colmore Row, Birmingham B3 2AP after 19 April 1982.

This announcement appears as a matter of record only.
The Council of The Stock Exchange has admitted the shares mentioned below to the Official List.

Norsk Data

Norsk Data A.S

(incorporated with limited liability in the Kingdom of Norway)

Placing

of 295,000 new shares of NOK 40 each at NOK 340 per share

by

COUNTY BANK LIMITED

Hoare Govett Limited

Fondsfinans a.s — Carnegie Fondkommission AB

March 1982

Church

(Manufacturers and retailers of quality shoes)

"Excellent overseas results contribute 52% of group profit"

reports Ian B Church, Chairman

- Sales up 10% at £35.6 million.
- Pre-tax profits declined to £1.56 million owing to difficult retail trading conditions in the UK.
- Increased final dividend recommended making 8.5p for year (1980 8p) covered 2.4 times.
- Factories busy and exports exceptionally buoyant.

Comparative results	1981	1980
	£m	£m
Sales	35.6	32.2
Trading profit	2.26	2.73
Interest payable	0.705	0.778
Profit before tax	1.56	1.96
Earnings per share	20.2p	28.6p

Report and accounts will be posted to shareholders on 14th April 1982.
Church & Co. PLC.,
St. James, Northampton NN5 5JB.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

1981-82 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
129	100	Ass. Brit. Ind. CULS	129	—	10.0	7.8	—	—
75	62	Airsprung	73	—	4.7	6.4	11.6	16.0
51	33	Armitage & Rhodes	45	—	4.3	9.6	3.8	8.5
205	187	Bardon Hill	200	+1	9.7	4.9	9.7	11.8
107	100	CCL 11pc Conv. Pref.	107	—	15.7	14.7	—	—
104	63	Deborah Services	63	—	6.0	9.5	3.1	5.9
131	97	Frank Horsell	127	—	6.4	5.0	11.4	23.5
83	39	Frederick Parker	78xd	—	6.4	8.2	4.0	7.6
78	46	George Blair	54	—	—	—	—	—
102	93	Ind. Precision Castings	97	—	7.3	7.5	7.0	10.5
109	100	Isis Conv. Pref.	109	—	15.7	14.4	—	—
113	94	Jackson Group	97	—	7.0	7.2	3.1	6.9
130	108	James Burrough	116	—	8.7	7.5	8.6	10.6
334	248	Robert Jenkins	252	—	31.3	12.4	3.5	8.9
64	51	Scruttons "A"	64	—	5.3	8.3	9.8	9.1
222	159	Torday & Carlisle	159	—	10.7	6.7	5.1	9.5
15	10	Twinlock Ord.	14	—	—	—	—	—
80	66	Twinlock 15pc ULS	79½	—	15.0	18.9	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.6
103	73	Walter Alexander	79	—	6.4	8.1	5.2	9.2
263	212	W. S. Yeates	231	+1	14.5	6.3	6.0	12.1

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MINING NEWS

St Joe stake in Australian prospect

BY GEORGE MILLING-STANLEY

AMERICA'S St Joe Minerals is to extend its interests in Australia by farming in to the Sorby Hill lead-zinc-silver prospect, not far from the site of the Ashton joint venture diamond discoveries.

The move represents the first significant expansion in St Joe's activities since the big engineering group Flour Corporation took control almost a year ago after a bid battle with Seagram, the Canadian distilling group. Flour paid more than $2bn (£1.1bn) for control of St Joe.

Sorby Hills is currently owned by Australia's MIM Holdings and Elf Aquitaine of France.

St Joe will spend up to $16.5m on proving up and extending the known zone of mineralisation. This is currently estimated to contain 14m tonnes of ore, grading around 5.4 per cent lead, 0.6 per cent zinc and 50 grammes per tonne silver.

The U.S. company can earn itself an interest of up to 35 per cent of the prospect, leaving MIM with 40 per cent and Elf Aquitaine with 25 per cent.

Sorby Hills is located between the town of Kununurra and the Bonaparte Gulf, on the Western Australian side of the border with the Northern Territory.

St Joe will take over from Aquitaine as operator through its St Joe Bonaparte subsidiary.

Rio Algom hopes for second-half recovery

THE Rio Tinto-Zinc group's Canadian arm, Rio Algom, does not expect any recovery in the Canadian economy before the latter part of this year and thus has to face continuing difficult conditions with its steel operations. These contributed 24 per cent of last year's total operating profit.

As far as the important uranium side is concerned, Mr George R. Albino, the Rio Algom chairman, points out that although spot prices are low they apply to only a very small portion of the world trade in uranium. The company's business is based more on long-term supply contracts with electrical utilities.

Thanks to a more favourable sales contract mix last year, operating profits from uranium advanced to C$69.2m (£31.5m) from C$26.4m and made up 49 per cent of the total. On the other hand, weak metal prices resulted in the third major source of profit, copper and molybdenum via the 68 per cent stake in Lornex, falling sharply to 27 per cent of the total.

However, there is some consolation in the fact that Lornex completed its major expansion programme on schedule and within budget last year. The expanded facilities started up on August 1 and lifted ore milling capacity to just over 80,000 tonnes per day from 48,000 tonnes.

The group is thus well placed to benefit from the eventual upturn in metal prices. Copper could rise significantly from the presently depressed levels if world economies improve this year but Mr Albino reckons that molybdenum will remain depressed for a long period as a result of over-capacity and excessive stocks in the hands of producers.

Sharp rise in Australian uranium production

THE OPENING in October last year of the new Ranger mine in Australia's Northern Territory provided a considerable boost for the country's uranium production, which almost doubled between 1980 and 1981.

The Bureau of Mineral Resources said yesterday that overall national output was estimated at 3,370 tonnes in 1981, up from 1,841 tonnes. Uranium content was an estimated 2,600 tonnes, against 1,561 tonnes, and exports of uranium ore and concentrates totalled 1,625 tonnes, up from 1,210 tonnes.

The Ranger mine, which has a production capacity of some 3,000 tonnes a year and total estimated reserves of more than 100,000 tonnes, is operated by Energy Resources of Australia.

This company is controlled by EZ Industries and Peko-Wallsend with 30.5 per cent each, with the remainder split between the Australian public and several overseas customers.

Other existing Australian uranium producers are Mary Kathleen, in north-western Queensland, and Nabarlek in the Northern Territory.

Mary Kathleen, which is owned as to 51 per cent by the Rio Tinto-Zinc group's Australian arm CRA, is expected to cease mining operations in September this year, rather than in mid-1983 as originally expected.

This is because the mine has already produced enough ore to meet existing contracts running through to 1984, and the remaining material is of such low grade that it could not be sold profitably at present depressed prices.

The small but high-grade Nabarlek mine, owned by Queensland Mines which is in turn controlled by Pioneer Concrete, completed mining operations in late 1979, and began uranium production in June 1980.

Agnico-Eagle buys refinery

CANADA'S GOLD and silver-producing Agnico-Eagle Mines is to buy a silver refinery from Salpetro Minerals for a price in excess of C$2m (£911,000) cash.

The refinery, which has been closed since last September, will also be available to treat material from other mines.

Concentrates will be treated from the nearby Canadaka mine under a five-year contract and Agnico will also seek to refine material from other mines in the Cobalt area of Ontario.

The refinery previously treated Agnico-Eagle's silver concentrates. But when the refinery closed down treatment of ore at the company's Penn mill was suspended pending an improvement in silver prices and, of course, the finding of alternative refining arrangements.

HUNTING PETROLEUM

Acceptances to the rights issue by Hunting Petroleum, the oil marketing, storage and distribution group, totalled 3,211,130 (98 per cent) of the ordinary shares and £2,450,942 (90.7 per cent) of the loan stock.

On offer were 3,277,496 ordinary shares at 150p and £7,847,498 of 10 per cent convertible subordinated unsecured loan stock, 1997.

Nichols at £2.57m for year

J. N. Nichols (Vimto), manufacturers of Vimto and other soft drinks, reports pre-tax profits of £2.57m for 1981, compared with £1.84m for the nine months to December 31, 1980, on turnover down from £14.64m to £12.08m.

The final dividend is being raised from 4p to 5.5p per 25p share, against a forecast of not less than 5p. This makes 10p for the year (7p).

At the interim stage the directors said that there had been a drop in export sales but that there was a "promising upturn" in home sales which they hoped they expected a reduction in second-half profits.

Commenting on the final results, the directors say: "Although the results for the second six months are better than anticipated, they benefited to some degree from the inclusion of non-recurring revenues."

The pre-tax figure included £508,000 of investment income and net interest (£367,000) and a profit on currency exchange of £105,000 compared with an £18,000 loss last time.

Profit at the trading level was £2.17m (£1.73m).

After a tax-charge of £1.26m (£871,000) net profits were £1.3m (£970,000), which gives stated earnings per share of 25.4p (20.8p).

BIDS AND DEALS

Clive reduces Int. Discount stake to 10%

Clive Discount, one of London's smaller discount houses, is to reduce its stake in the International Discount Company, Singapore's largest discount house, from 20 per cent to 10 per cent.

It has agreed to sell its shares to other shareholders for Singapore $2m which at the current exchange rate amounts to about £520,000. The shares are valued in Clive's balance-sheet at £247,084 and the profit attributable to the holding included in the profit and loss account amounted to £35,792 before tax.

The directors of Clive Discount say "the additional funds released will be of greater value in expanding the main subsidiary, Clive Discount Company." The transaction will take place on April 1 1982, the start of the company's new financial year, and the profit on the sale will be transferred to inner reserves.

Clive Discount made an overall loss in its first half-year and passed its interim dividend. Last August it announced it was pulling out of investment management and closing Clive Investments, which involved some redundancies among staff.

CHI BUILDS UP BRABY STAKE

A major shareholding has been built up in Braby Leslie, the mechanical and civil engineer, by CHI Securities.

CHI purchased 200,000 shares this week. An Anglo Nordic Holdings subsidiary, CHI, has also purchased from one shareholder 1.488m ordinary shares.

Together with previous acquisitions CHI is interested in an aggregate of 2.66m ordinary shares in Braby, representing 26.33 per cent of the equity.

In the last accounts for the year ended March 31 1981 major shareholders were shown as Industrial and Commercial Finance Corporation with 1.29m shares; Estate Duties Investment Trust with 376,470 ordinary shares; and British Empire Securities and General Trust with 14,919 of the cumulative preference shares.

MARSHALL FIELD

Marshall Field, the Chicago-based department stores group which has received a bid worth £191m from BAT Industries, yesterday lost its legal attempt to restrain its major shareholder, Mr Carl Icahn.

Icahn Capital Corporation, which holds nearly 20 per cent of Marshall Field, said that Marshall had been denied a preliminary injunction which sought to prevent Icahn from acquiring more shares.

Marshall had also sought unsuccessfully to force Icahn to rescind purchases made previously or, alternatively, to prevent Icahn from voting certain shares.

C.S.C. INV. TRUST

C.S.C. Investment Trust reports the following changes of directors beneficial and non-beneficial interests.

Honourable E. D. G. Davies, a company of which Mr Davies is controlling director and shareholder, has acquired 20,000 shares increasing his beneficial interest to 34,510 shares.

Mr Davies is a trustee of two funds which have acquired a total of 154,500 ordinary shares, increasing his non-beneficial interest to 289,571 shares.

Mr J. S. Tyres has increased his non-beneficial interest by 33,000 shares to a total of 45,960 shares. There is no change of beneficial interests.

Cambrian and General Securities has sold total holding of 118,500 shares (7.2 per cent).

London Trust Company has sold total holding of 179,402 shares (10.91 per cent). Trustees of the Dinam Charity have bought 118,500 shares increasing holding to 189,400 shares (11.51 per cent).

J. WADDINGTON

John Waddington has purchased the games company House of Dubreq, whose activities will be assimilated into Waddington's games companies by April 5.

Jackson South oil flow

The Jacksons South No. 1 exploration well drilled in the Queensland sector of Australia's Copper Basin has flowed oil at the rate of 640 barrels a day from the jurassic westbourne.

Jackson South is located 5.8 km south of the Jackson No. 1 oil discovery, which produced one of Australia's biggest onshore oil flows.

Interests in the Jackson South No. 1 well are held by Santos, 40 per cent, Delhi (a subsidiary of CSR), 32 per cent, Vangas, 8 per cent, Claremont, 10 per cent, Ampol Exploration, 7.5 per cent, and Oil Company of Australia, 2.5 per cent.

A Court bid for ACC cleared

BY JOHN MOORE, CITY CORRESPONDENT

THE SECRETARY of State for Trade has decided not to refer the proposed takeover of Associated Communications Corporation by Mr Robert Holmes à Court, the Australian entrepreneur, to the Monopolies and Mergers Commission.

As the City row simmered yesterday over Mr Holmes à Court's position as chairman of both ACC and TVW Enterprises, the company making the takeover bid, Heron Corporation made new moves to advance its own bid plans for ACC.

Barclays Merchant Bank, acting for Heron, is now seeking to gain a reaction from Standard Chartered merchant bank, advisers to ACC, on two offers from TVW for ACC worth respectively 95p per share for the non-voting equity and 110p per share.

Barclays said that meant asking Standard Chartered which price offered by Mr Holmes à Court it was supporting. Heron still feels that it is in no rush to produce an offer until it knows which price it is really fighting. "Standard Chartered should be asking which is the price. We would like them to stand up and be counted and say 'is it 110p or 95p'."

Mr Holmes à Court said yesterday that moves were afoot at ACC to appoint new independent directors following the resignations of Lord Matthews and Sir Leo Pliatzky. But in spite of the controversy he said that he had no intention of standing down as chairman. "I am keeping the position under review."

G. M. Firth takes a 12.2% stake in Howard Tenens

G. M. Firth (Holdings) has taken a 12.2 per cent stake in warehousing and distribution group, Howard Tenens Services. The common factors are Mr Ian Wasserman, a shareholder in Howard Tenens and a director of Firth, the steel stockholder, and a stated policy by each group of building up a property base.

The shares have come from Intel Portfolio Management, which is selling a 7.6 per cent stake in Howard Tenens, and Mr Wasserman who holds a 4.6 per cent interest. The shares are valued at 66p each and the consideration is to be satisfied by the issue of 319,819 new ordinary Firth shares, representing 10.7 per cent of the enlarged capital, and a cash payment of £639,000.

The agreements are subject to the approval of Firth's shareholders at an extraordinary meeting scheduled for next month.

The group's directors, other than Mr Wasserman, are recommending the deal and will accept in respect of their aggregate 11.3 per cent holding.

Mr Wasserman, a former director of Slater, Walker Securities, will hold 20.7 per cent of the enlarged Firth equity on completion. Firth announced yesterday that it intends "to hold Howard Tenens' shares as a long term investment."

Tenens, which has been unable to identify the overseas holders of some 10 per cent of its equity through a series of nominee accounts, is backed by assets of 89p per share.

Firth described the deal as "an opportunity to build its equity base and at the same time acquire a shareholding in a substantial quoted company whose major assets comprise freehold land and buildings."

SHARE STAKES

Chapman and Co (Balham)—Throgmorton Trust is interested in 148,500 ordinary (6.19 per cent). It was formerly interested in 173,500 (7.22 per cent).

Globe Investment Trust—Trustees of the NCB Staff Superannuation Scheme, the Mineworkers' Pension Scheme, the Coal Industry Benevolent Trust and the Mining Contractors Scheme hold 39,849,043 shares (24.37 per cent).

Howden Group—Director J. H. D. Hume has sold 10,000 ordinary.

London Trust—Dinam Pensions Fund recently purchased 10,000 ordinary shares. Director E. D. G. Davies has a beneficial interest in Dinam Pension Fund.

Longton Industrial Holdings—Director J. A. Dale has sold 10,000 ordinary and his wife 1,900 ordinary, both at 43p.

P. and W. Maclellan—Dumgoyne Investments purchased 5,000 ordinary.

Norton and Wright Group—Throgmorton Trust holds 312,700 shares (5.57 per cent).

NCC Energy—Director Dr Paul Temple purchased 25,000 ordinary at 74p on March 17.

RIT—Laing and Cruickshank as brokers to Great Northern Investment Trust, bought 400,000 RIT shares at 374p for Great Northern, on March 19.

Tomkinsons Carpets—Miss Miriam R. Tomkinson has disposed of 20,000 shares, leaving a holding 170,752 shares (5.99 per cent).

Trust Securities Holdings—Mrs. M. Williamson, wife of director H. E. Williamson, has sold 14,360 ordinary shares and 109,727 non-participating convertible shares, reducing her holding of each class to nil.

Whitbread and Co.—A trust in which director S. C. Whitbread has a beneficial interest, has acquired 10,000 "B" ordinary shares.

Premier Consolidated Oilfields—J. M. Dorreen, director, has disposed of 50,000 ordinary at 33½p leaving holding 152,825 shares (less than 5 per cent).

Stewart Enterprise Investment Company—D. A. Roberts, director, has purchased 2,500 subscription warrants. N. O. Taube, director, notifies that a trust, of which he is a trustee with no beneficial interest, has purchased 132,542 ordinary shares.

LONDON TRADED OPTIONS

Mar. 24 Total Contracts 2,406 Calls 1,556 Puts 850

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	260	38	1	44	—	50	—	294p
BP (c)	280	18	105	28	1	36	11	"
BP (c)	300	6	30	16	27	22	34	"
BP (c)	330	1½	4	7	1	10	36	"
BP (c)	360	½	—	3	33	—	—	"
BP (p)	260	6	135	10	26	12	75	"
BP (p)	280	14	5	17	—	20	5	"
BP (p)	300	28	13	28	79	34	125	"
BP (p)	330	65	91	56	—	60	—	"
CU (c)	130	20	27	21	—	25	—	149p
CU (c)	140	10½	13	14½	13	19	—	"
CU (c)	160	3	—	7	5	10	—	"
Cons. Gld (c)	360	42	7	52	3	64	1	312p
Cons. Gld (c)	390	14	5	32	3	42	3	"
Cons. Gld (c)	420	5	38	16	37	26	1	"
Cons. Gld (c)	500	1½	25	4	—	7	10	"
Cons. Gld (p)	360	6	—	13	2	16	—	"
Cons. Gld (p)	390	14	1	24	1	27	1	"
Ctlds. (c)	80	6½	—	12	—	16	4	85p
Ctlds. (c)	90	2	—	5½	14	8½	2	"
GEC (c)	850	10	2	36	—	67	—	822p
GEC (p)	750	5	—	10	2	—	—	"
GEC (p)	800	10	6	20	2	30	—	"
GEC (p)	850	34	—	45	2	50	3	"
Gr'd Met. (c)	180	33	7	41	—	48	—	211p
Gr'd Met. (c)	200	15	2	23	5	28	—	"
Gr'd Met. (c)	220	3	8	10	109	14	100	"
Gr'd Met. (p)	200	6	—	10	20	12	—	"
Gr'd Met. (p)	220	15	—	16	2	21	2	"
ICI (c)	300	30	1	40	—	50	—	326p
ICI (c)	330	9	11	23	—	32	—	"
ICI (c)	360	4	—	10	50	18	—	"
ICI (p)	280	2	—	4	11	—	—	"
ICI (p)	300	3	5	8	5	12	—	"
ICI (p)	330	10	28	18	5	24	5	"
Land Sec. (c)	300	9	—	20	58	31	3	295p
Land Sec. (c)	330	3	5	9	3	18	—	"
Mks & Sp. (c)	120	35	1	39	—	—	—	154p
Mks & Sp. (c)	130	25	—	29	5	33	—	"
Mks & Sp. (c)	140	15½	6	19½	9	23½	4	"
Mks. & Sp. (c)	160	4	23	7	28	11½	—	"
Shell (c)	330	46	—	54	3	62	—	374p
Shell (c)	360	16	1	30	8	38	1	"
Shell (c)	390	5	—	15	5	23	—	"
Shell (p)	330	4	—	8	30	12	—	"
Shell (p)	360	15	2	18	—	24	—	"
Shell (p)	390	36	30	38	—	40	—	"
		May		August		November		
Barclays (c)	460	13	—	28	—	42	5	456p
Barclays (p)	460	15	5	20	—	26	—	"
Barclays (p)	500	47	—	52	—	55	2	"
Imperial (c)	70	24½	1	27½	—	—	—	94p
Imperial (c)	80	14½	180	18	25	20½	—	"
Imperial (c)	90	5	38	10½	91	13	4	"
Imperial (p)	70	½	—	11½	—	—	20	"
Imperial (p)	90	3	15	4½	—	5½	—	"
Lasmo (c)	260	50	6	57	—	67	—	300p
Lasmo (c)	280	35	2	45	1	52	—	"
Lasmo (c)	300	23	16	32	5	37	3	"
Lasmo (c)	330	10	6	18	—	—	—	"
Lasmo (c)	360	3	3	9	6	—	—	"
Lonrho (c)	80	2½	4	5½	3	7½	10	75p
Lonrho (c)	90	1	5	3	—	—	—	"
Lonrho (p)	70	2	8	4	—	5	—	"
Lonrho (p)	80	6	9	8	—	10	—	"
Lonrho (p)	90	16	7	18	—	—	—	"
P & O (c)	120	16	30	24	—	28	—	132p
P & O (c)	130	11	11	17	13	21	—	"
Racal (c)	330	60	4	70	—	77	—	383p
Racal (c)	360	30	1	45	—	57	—	"
Racal (c)	390	12	20	25	—	37	—	"
Racal (p)	360	7	13	10	—	15	—	"
Racal (p)	390	18	5	25	—	30	—	"
RTZ (c)	420	25	44	40	—	47	—	427p
RTZ (c)	460	9	2	22	—	30	—	"
RTZ (c)	500	4	12	12	2	—	—	"
RTZ (p)	390	6	3	13	—	15	—	"
RTZ (p)	420	15	6	24	16	35	—	"
Vaal Rfs. (c)	40	6¾	14	9	—	9½	2	$46
Vaal Rfs. (c)	45	3½	7	5¼	4	6¾	10	"
Vaal Rfs. (c)	50	1	10	3	5	4	—	"
Vaal Rfs. (p)	40	1¼	—	2¾	4	3¼	—	"
Vaal Rfs. (p)	45	3½	2	4¾	10	5½	—	"
Vaal Rfs. (p)	50	6¾	3	7¼	1	7½	2	"

C=Call P=Put

Federated Land MD acquires 6.89% stake

Mr Peter Meyer, the managing director of Federated Land acquired 750,000 shares in the property group from the Kuwait Investment Office yesterday at a price of 150p per share.

The KIO purchased the 6.89 per cent stake in Federated two months ago at a price believed to have been about 136p per share. The shares were offered to W. Greenwell, one of the leading brokers which deals for the KIO in London which, as the broker to Federated, offered the stake in turn to Mr Meyer.

The deal reduces the chances of a successful offer for Federated from the housebuilding group, M. P. Kent. Kent's approach will be dropped if Federated bids successfully for Estates and General. Earlier this week, Federated received indications that the "Prowting concert party" would accept the £15m deal in respect of 61.1 per cent of Estates' equity.

Now, with the addition of the KIO stake, the Federated board can claim to speak for some 25 per cent of the group's shares. Mr R. P. Pyne, director and company secretary of Federated said that yesterday's transaction "changes the whole scene dramatically." The shares dropped 5p to 145p.

LADBROKE TO TAKE 50% STAKE IN U.S. TRAVEL AGENCY

Ladbroke Group, the leisure and hotels group, has entered into a contract to buy 50 per cent of BPF Travel, a U.S.-based travel agency which is said to have a turnover of $125m.

No purchase price has been disclosed. BPF Travel is based in New Jersey, and was founded in 1978.

Another British company, Hillsdown Holdings, is to buy another 25 per cent of the equity, and the remaining 25 per cent will be held by Mr Brian Froelich, who founded the company.

Ladbroke has been developing other activities within the group after it lost its casino licences in 1979.

NOTICE TO HOLDERS OF

TOSHIBA CORPORATION
(FORMERLY TOKYO SHIBAURA ELECTRIC CO., LTD)
(TOKYO SHIBAURA DENKI KABUSHIKI KAISHA)

6¾% CONVERTIBLE DEBENTURES DUE 1992

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS

NOTICE IS HEREBY GIVEN to the holders of the 6¾% Convertible Debentures Due 1992 (the "Debentures") of Toshiba Corporation (formerly Tokyo Shibaura Electric Co., Ltd.), a Japanese Corporation (the "Company") that pursuant to Article Four of the Indenture, dated as of November 10, 1977, between the Company and The Bank of Tokyo Trust Company as Trustee (the "Trustee") the Company has decided to redeem on April 15, 1982 all Debentures then outstanding in accordance with the provisions of the sixth paragraph of the Debentures.

The price at which the Debentures will be redeemed will be 103½% of the principal amount thereof and will be U.S. $1,035 per U.S. $1,000 principal amount. In addition, the Company will pay interest accruing from April 1, 1982 through April 15, 1982.

The payment of the redemption price will be made on and after April 15, 1982 upon presentation and surrender of the Debentures together with all coupons appertaining thereto maturing after April 15, 1982 at any of the following principal offices of the Paying and Conversion Agents:

The Bank of Tokyo Trust Company (New York)
The Mitsui Bank, Ltd. (London)
Societe Generale (Paris)
Deutsche Bank (Frankfurt/Main)
Union Bank of Switzerland (Zurich)
Societe Generale de Banque (Brussels)
Banque Generale du Luxembourg (Luxembourg)
Algemene Bank Nederland (Amsterdam)

All payments will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts at the office specified above in New York City, or, at the option of the holders, in like coin or currency at the other offices specified above, by check drawn on, or transfer to a United States dollar account maintained by the payee with, a bank in New York City, subject to any applicable fiscal and other laws and regulations, all in accordance with the provisions of the Debentures and Coupons.

FROM AND AFTER APRIL 15, 1982 INTEREST ON THE DEBENTURES WILL CEASE TO ACCRUE AND THE RIGHT TO CONVERT THE DEBENTURES INTO SHARES OF COMMON STOCK OF THE COMPANY WILL TERMINATE AT THE CLOSE OF BUSINESS ON APRIL 14, 1982.

The Debentureholders' attention is called to the fact that in accordance with the provisions of the fifth paragraph of the Debentures they may convert their Debentures into shares of common stock of the Company at the conversion price (with the Debentures taken at their principal amount translated into Japanese yen at the rate of Yen 254 equals U.S. Dollar 1) of Yen 127.80 per share. Each Debentureholder who wishes to convert his Debentures must deposit his Debentures, together with all unmatured coupons, with any of the offices of the Paying and Conversion Agents specified above before the close of business on April 14, 1982, accompanied by a written notice to convert, the form of which notice is available from any of the Paying and Conversion Agents.

For the information of the Debentureholders, the reported closing prices of the shares of common stock of the Company on the Tokyo Stock Exchange during the period from January 22, 1982 to March 17, 1982 ranged from a high of Yen 335 to a low of Yen 293 per share. The reported closing price of such shares on the Tokyo Stock Exchange on March 17, 1982 was Yen 296 per share.

TOSHIBA CORPORATION

By: The Bank of Tokyo Trust Company as Trustee

Dated: March 25, 1982

RENT/RATE-FREE FACTORIES

Expanding or relocating your business in a steel closure area? We can organise a new factory, possibly rent/rate-free. Jointly. Ring BSC Industry on 01-686 0366 Ext. 300 or write to me at N.C.A. Brown, 12 Addiscombe Road, Croydon, CR9 3JH.

Percy Lane overcomes heavy loss

DESPITE a heavy loss from a subsidiary making windows for the motor industry, Percy Lane Group, which also makes windows for railway coaches, the building industry and caravans, reports profits up from £685,000 to £833,000 for 1981, after showing an improvement of £44,000 to £449,000 at half way.

In their interim report the directors said that reflecting weak demand from the motor industry, sales of Percy Lane Limited were 32 per cent down on the same period of 1980. They said that losses in this subsidiary started during an industrial dispute in March 1981 and have continued.

The directors now report that the subsidiary made a heavy loss for the year but actions have been taken to reduce the scale of operations in line with the decline in the market and to restore profitability.

Elsewhere in the group Planet Windows (Architectural) and Planet Windows (Glenrothes) attained record sales and profits. Para Press in Luxembourg had another satisfactory year while in the U.S. Creation Windows made a small net profit after charges relating to the acquisition last July, and the start-up costs and initial trading losses on two encouraging new ventures.

The directors are confident that the group will make further progress in 1982.

The total net dividend is increased from the equivalent of 2.5p to 3p net per 10p share, with a final of 2p. A further scrip issue, this time on a one-for-two basis, is also proposed.

Sales in 1981 showed an increase from £19.61m to £22.9m and trading profits rose from £968,000 to £1.17m. UK sales were £10.1m (£9.58m) and profits £452,000 (£508,000) and overseas £12.79m (£10.25m) and profits £716,000 (£450,000).

Attributable profits came through at £444,000 (£491,000), after tax of £389,000 (£194,000), giving earnings per share of 7.4p (8.8p). CCA pre-tax profit was £807,000.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

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[illegible]

NOTES

[illegible]

Companies and Markets — CURRENCIES, MONEY and GOLD

Tension eases

Strains within the EMS were less apparent yesterday as the weaker members showed some signs of recovery. This was helped by a weaker tendency in the dollar, reflecting lower U.S. interest rates. However, after a weaker start, the dollar recovered to finish around its best level of the day.

Sterling continued to improve against the dollar and European currencies and its index finished at the highest level for a month.

Tension eased within the European Monetary System yesterday. The French franc improved and was placed within its divergence limit and above the Belgian franc. French interest rates were again increased and this together with an easier trend in U.S. rates helped the French franc recover. The D-Mark was the strongest member ahead of the Dutch guilder.

DOLLAR — Trade weighted index (Bank of England) 114.8 against 114.9 on Tuesday and 109.1 six months ago. Three-month Treasury bills 12.50 per cent (14.16 per cent six months ago). Annual inflation rate 7.7 per cent (8.4 per cent previous month)—The dollar closed at DM 2.3850 against the D-mark hardly changed from Tuesday's figure of DM 2.3845, while in terms of the Swiss franc it was quoted at SwFr 1.8950 from SwFr 1.8960. Against the Japanese yen it fell to Y243.25 from Y245.0, and was easier against the French franc at FFr 6.2150 from FFr 6.2525.

STERLING—Trade weighted index 91.4 against 91.2 at noon, 91.3 in the morning and 91.2 on Tuesday (85.7 six months ago). Three-month interbank 13½ per cent (15½ per cent six months ago). Annual inflation 11 per cent (12 per cent previous month)—Sterling opened at $1.8010 against the dollar and traded within a narrow range of $1.8060 and $1.8125. It closed at $1.8080-1.8090, a rise of 60 points. Against the D-mark it rose to DM 4.3150 from DM 4.30 and SwFr 3.43 from SwFr 3.42. It was lower against the French franc however at FFr 11.2350 compared with FFr 11.2650.

D-MARK — EMS member (strongest). Trade weighted index 123.3 against 123.5 on Tuesday and 119.2 six months ago. Three-month interbank 9.525 per cent (12.30 per cent six months ago). Annual inflation 5.8 per cent (6.3 per cent previous month)—The D-mark showed little overall change at yesterday's fixing in Frankfurt. The French franc was fixed at DM 38.23 per FFr 100 up from DM 38.175 in response to higher French interest rates while the Swiss franc improved to DM 1.2599 from DM 1.2593. The dollar slipped to DM 2.3815 on lower Euro-dollar rates and sterling was lower at DM 4.3060 compared with DM 4.3170.

BELGIAN FRANC — EMS member (weakest). Trade weighted index 94.9 against 95.1 on Tuesday and 107.1 six months ago. Three-month Treasury bills 13.75 per cent (15.75 per cent six months ago). Annual inflation 7.1 per cent (7.6 per cent previous month)—The Belgian authorities spent the equivalent of BFr 17bn (£209m) last week in support of the Belgian franc, the largest amount spent in one week this year. Reserves fell by BFr 10.4bn with most of the balance spent on supporting the franc made up with Treasury borrowings.

THE POUND SPOT AND FORWARD

March 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8060-1.8125	1.8080-1.8090	0.13-0.23c dis	-1.19	0.55-0.65dis	-1.33
Canada	2.2050-2.2150	2.2120-2.2130	0.45-0.55c dis	-2.71	1.45-1.55dis	-2.71
Nethlnd.	4.74-4.78½	4.77-4.78	3¼-2¼c pm	6.91	6⅞-6⅞ pm	5.44
Belgium	80.90-81.80	81.55-81.65	20-35c dis	-4.04	70-90 dis	-3.92
Denmark	14.63-14.72	14.69-14.70	2-3ore dis	-2.04	7-8⅛ dis	-2.11
Ireland	1.2260-1.2425	1.2375-1.2385	0.57-0.69p dis	-6.11	1.88-2.04dis	-6.33
W. Ger.	4.29-4.33	4.31-4.32	1¾-1⅛pf pm	4.52	5-4½ pm	4.40
Portugal	127.00-127.75	127.25-127.50	65-190c dis	-12.01	195-410 dis	-9.50
Spain	183.25-190.25	183.55-183.75	[illegible]	-21.13	81-93 dis	-14.42
Italy	2,350-2,383	2,356-2,358	[illegible]	[illegible]	[illegible]	[illegible]
Norway	10.90-10.96	10.94-10.95	[illegible]	-1.03	[illegible]	-1.46
France	11.20-11.30	11.22½-11.24½	[illegible]	-33.91	[illegible]	-18.91
Sweden	10.57½-10.61½	10.59½-10.60½	[illegible]	0.92	[illegible]	0.84
Japan	436-442	440-441	[illegible]	7.08	[illegible]	6.85
Austria	30.17-30.36	30.23-30.28	[illegible]	5.16	[illegible]	4.48
Switz.	3.41-3.44	3.42½-3.43½	2½-2c pm	7.87	6¼-5¼ pm	7.72

Belgian rate is for convertible francs. Financial franc [illegible]. Six-month forward dollar [illegible]. 12-month [illegible].

THE DOLLAR SPOT AND FORWARD

March 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8060-1.8125	1.8080-1.8090	0.13-0.23c dis	-1.19	0.55-0.65dis	-1.33
Ireland†	1.4585-1.4635	1.4615-1.4630	[illegible]	[illegible]	[illegible]	[illegible]
Canada	1.2205-1.2240	1.2230-1.2235	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	2.6230-2.6400	2.6400-2.6430	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	44.70-45.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	8.0750-8.1300	8.1100-8.1200	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	2.3725-2.3870	2.3845-2.3855	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	70.35-70.75	70.35-70.55	[illegible]	[illegible]	[illegible]	[illegible]
Spain	104.80-104.95	104.85-104.90	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	6.0315-6.0580	6.0450-6.0550	[illegible]	[illegible]	[illegible]	[illegible]
France	6.1900-6.2500	6.2100-6.2200	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	5.8380-5.8610	5.8500-5.8600	[illegible]	[illegible]	[illegible]	[illegible]
Japan	241.40-243.50	243.20-243.30	[illegible]	[illegible]	[illegible]	[illegible]
Austria	16.67-16.75½	16.74½-16.75½	[illegible]	[illegible]	[illegible]	[illegible]
Switz	1.8835-1.8965	1.8945-1.8955	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 24	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.4	-30.3
U.S. dollar	114.8	-7.1
Canadian dollar	88.3	-15.1
Austrian schilling	117.0	-25.5
Belgian franc	94.9	-2.3
Danish kroner	83.3	-13.7
Deutsche mark	123.3	-46.6
Swiss franc	155.1	-107.7
Guilder	114.5	-21.3
French franc	78.3	-15.5
Lira	54.4	-58.1
Yen	135.7	+29.5

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 24	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.619486	0.555522
U.S. $	12	1.11466	1.00133
Canadian $	15.04	1.36308	1.22062
Austria Sch.	6¾	18.7056	16.8594
Belgian F	15	50.4395	45.2350
Danish Kr.	11	9.08941	8.15332
D mark	7½	2.65853	2.39484
Guilder	8	2.95412	2.65052
French Fr.	9½	7.00592	6.28285
Lira	19	1468.15	1316.80
Yen	5½	274.423	243.676
Norwgn. Kr.	9	6.76501	6.06505
Spanish Pta.	8	117.047	105.760
Swedish Kr.	10	6.56149	5.88230
Swiss Fr.	5½	2.12856	1.90555
Greek Dr'ch.	20½	—	62.2428

OTHER CURRENCIES

Mar. 24	£	$		Note Rates
Argentina Peso	19,954-19,954	11,005-11,050	Austria	30.10-30.40
Australia Dollar	1.7105-1.7125	0.9460-0.9465	Belgium	84.01
Brazil Cruzeiro	262.97-263.97	145.28-146.01	Denmark	14.60-14.74
Finland Markka	8.259-8.288	4.5700-4.5720	France	11.18-11.28
Greek Drachma	109.855-113.249	61.45-61.65	Germany	4.28-4.32
Hong Kong Dollar	10.491¼-10.504¼	5.8100-5.8150	Italy	2325-2375
Iran Rial	147.40*	81.70*	Japan	433-444
Kuwait Dinar (KD)	0.513-0.519	0.2850-0.2865	Netherlands	4.73½-4.77½
Luxembourg Fr.	81.55-81.65	45.11-45.13	Norway	10.88-10.98
Malaysia Dollar	4.2110-4.2310	2.3510-2.3540	Portugal	125-131
New Zealand Dlr.	2.3205-2.3245	1.2855-1.2860	Spain	181½-195
Saudi Arab. Riyal	6.16-6.22	3.4200-3.4230	Sweden	10.54-10.64
Singapore Dollar	3.8390-3.8490	2.1245-2.1265	Switzerland	3.40½-3.44½
Sth. African Rand	1.8765-1.8780	1.0375-1.0385	United States	1.80-1.82
U.A.E. Dirham	6.62-6.68	3.6715-3.6755	Yugoslavia	93-103

* Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.2002	+1.13	+1.13	±1.5440
Danish Krone	8.18382	8.16511	-0.23	-0.23	±1.6428
German D-Mark	2.41815	2.39817	-0.83	-0.83	±1.1097
French Franc	6.19564	6.26183	+1.07	+1.07	±1.3743
Dutch Guilder	2.67296	2.65207	-0.78	-0.78	±1.5069
Irish Punt	0.685799	0.689787	+0.44	+0.44	±1.6689
Italian Lira	1300.67	1315.44	+1.14	[illegible]	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for March 24 ... 0.557546

EXCHANGE CROSS RATES

Mar. 24	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.809	4.315	440.5	11.235	3.430	4.775	2357.	2.213	81.60
U.S. Dollar	0.553	1.	2.386	243.6	6.212	1.897	2.640	1303.	1.223	45.12
Deutschemark	0.232	0.419	1.	102.1	2.604	0.795	1.107	546.2	0.513	18.91
Japanese Yen 1,000	2.270	4.106	9.796	1000.	25.51	7.787	10.84	5351.	5.023	185.2
French Franc 10	0.890	1.610	3.841	392.1	10.	3.053	4.250	2098.	1.969	72.63
Swiss Franc	0.292	0.527	1.258	128.4	3.276	1.	1.392	687.2	0.645	23.79
Dutch Guilder	0.209	0.379	0.904	92.25	2.353	0.718	1.	493.6	0.463	17.09
Italian Lira 1,000	0.424	0.767	1.831	186.9	4.767	1.455	2.026	1000.	0.939	34.62
Canadian Dollar	0.452	0.817	1.950	199.1	5.078	1.550	2.158	1065.	1.	36.88
Belgian Franc 100	1.225	2.216	5.288	539.8	13.77	4.203	5.852	2888.	2.711	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 24)

3 months U.S. Dollars		6 months U.S. dollars	
bid 14 5/8	offer 14 3/4	bid 14 11/16	offer 14 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	13¼-13½	[illegible]	16-17	[illegible]	1¼	[illegible]	45-75	20-25	[illegible]	[illegible]
7 days' notice	13¼-13½	[illegible]	16-17	[illegible]	[illegible]	[illegible]	45-50	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	13½-13⅝	[illegible]	[illegible]	8⅛-8¼	[illegible]	9-9⅛	26-30	27½-29	17¾-19	6½-6¾
Six months	13½-13⅝	[illegible]	16-16⅜	[illegible]	[illegible]	9-9⅛	22-25	24¾-25¾	17-18	[illegible]
One Year	13½-13⅝	14⅝-14⅞	16¼-16⅝	[illegible]	[illegible]	9-9⅛	19-21	23¾-24¾	15½-16½	[illegible]

BFr (financial): short-term 11-12 per cent: seven days' notice 13-13¾ per cent: one-month 13½-13¾ per cent; three months 14½-14¾ per cent, six months 14⅝-14⅞ per cent: one-year 14⅝-14⅞ per cent.

SDR linked deposits: one-month 14⅞-14¹³⁄₁₆ per cent; three months 13⅞-13¹³⁄₁₆ per cent; six months 13⅞-13⅞ per cent; one-year 12¹⁵⁄₁₆-13³⁄₁₆ per cent.

ECU linked deposits: one-month 16⅞-17¼ per cent; three months 14¹³⁄₁₆-15⁵⁄₁₆ per cent; six months 13¹⁵⁄₁₆-14⁵⁄₁₆ per cent: one-year 13⅝-13¾ per cent

Asian $ (closing rates in Singapore): one-month 14½-14⅝ per cent; three months 14¹¹⁄₁₆-14¹³⁄₁₆ per cent: six months 14¾-14⅞ per cent; one-year 14¹¹⁄₁₆-14¹³⁄₁₆ per cent. Long-term Eurodollar two years 15⅛-15⅜ per cent; three years 15¼-15½ per cent; four years 15¼-15½ per cent; five years 15⅜-15⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one-month 14.25-14.35 per cent; three months 14.40-14.50 per cent; six months 14.55-14.65 per cent; one-year 14.55-14.65 per cent.

MONEY MARKETS

Revised shortage

London clearing bank base lending rate 13 per cent (since March 12)

The London money market was faced with a substantial credit shortage yesterday, and the Bank of England revised its forecast of a £650m shortage in the morning, to £600m at noon, and to £700m in the afternoon. Total assistance provided by the authorities was £764m including a repurchase agreement of £308m for one week at interest rates of 13-13⅛ per cent. The major factors were bills maturing in official hands and a net market take-up of Treasury bills of −£170m; the unwinding of a repurchase agreement −£197m, and Exchequer transactions −£160m.

In the morning the Bank of England gave help of £322m by buying £2m bank bills in band 1 (up to 14 days maturity) at 13¼ per cent; £2m local authority bills in band 2 (15-33 days) at 13 per cent; £162m bank bills in band 2 at 13 per cent; £2m local authority bills in band 3 (34-63 days) at 12⅞ per cent; £68m bank bills in band 3 at 12⅞ per cent; and £86m bank bills in band 4 (64-84 days) at 12½ per cent.

Apart from the repurchase agreement, further assistance through purchase of £134m bills outright was provided in the afternoon. The authorities bought £24m bank bills in band 2 at 13 per cent; £19m bank bills in band 3 at 12⅞ per cent; £22m Treasury bills in band 4 (64-91 days) at 12½ per cent; and £69m bank bills in band 4 at 12½ per cent.

Interest rates showed little change despite the probable over assistance from the Bank of England. Seven-day interbank money firmed to 13⅝-13⅞ per cent from 13⁷⁄₁₆-13⅝ per cent, but longer periods were steady.

In Paris interest rates continued to rise as part of the programme to defend the franc by the Bank of France. Call money rose by 1 per cent to 18 per cent, the highest level since October 8. On Tuesday the seven-day Treasury bill discount rate was raised by 2 per cent to 20 per cent.

MONEY RATES

NEW YORK

Prime rate	16½
Fed. funds (lunch-time)	13¾-13⅞
Treasury bills (13-week)	12.50
Treasury bills (26-week)	12.54

GERMANY

Special Lombard	9.50
Overnight rate	9.625
One month	9.625
Three months	9.525
Six months	9.20

FRANCE

Intervention rate	17.00
Overnight rate	18.00
One month	17.4375
Three months	16.625
Six months	15.375

JAPAN

Discount rate	5.50
Call (unconditional)	6.71875
Bill discount (three-month)	6.53125

GOLD

Further rise

Gold rose $2½ an ounce in the London bullion market yesterday to close at $331½-332½. It opened at $329½-330½ and touched a high of $334-334½ and a low of $329½-330.

In Frankfurt the 12½ kilo bar was fixed at DM 25,590 per kilo ($335.01 per ounce) against DM 25,250 ($327.48) previously: and closed at $331½-332½ from $329½-330½.

In Paris the 12½ kilo bar was fixed at FFr 67,750 per kilo ($338.26 per ounce) in the afternoon compared with FFr 67,750 ($340.01) in the morning and FFr 67,500 ($334.62) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $333.25.

In Zurich gold closed at $331-334 against $328-331.

	Mar. 24		Mar. 23	
Gold Bullion (fine ounce)				
Close	$331½-332½	(£183¼-183¾)	$329-330	(£182½-183)
Opening	$329½-330½	(£182-182½)	$321-322	(£178-178½)
Morning fixing	$333	(£184.039)	$327	(£181.294)
Afternoon fixing	$331.75	(£183.237)	$329.25	(£182.481)
Gold Coins				
Krugerrand	$341½-342¼	(£188¾-189¼)	$339-339¾	(£188-188½)
1/2 Krugerrand	$176-177	(£97¼-97¾)	$174½-175½	(£96¾-97¼)
1/4 Krugerrand	$89½-90½	(£49½-50)	$89-90	(£49¼-50)
1/10 Krugerrand	$36½-37½	(£20¼-20¾)	$36¼-37¼	(£20-20½)
Mapleleaf	$342½-343½	(£189¼-189¾)	$339¼-340¼	(£188½-189)
New Sovereigns	$81-81½	(£44¾-45)	$80-80½	(£44½-44¾)
King Sovereigns	$98-99	(£54-54½)	$96-98	(£53¼-53¾)
Victoria Sovs.	$98-99	(£54-54½)	$96-98	(£53¼-53¾)
French 20s	$80-90	(£44¼-49¾)	$80-90	(£44¼-50)
50 pesos Mexico	$409-411¼	(£226-227½)	$406¾-409½	(£225½-227¼)
100 Cor. Austria	$321-323¾	(£177½-179)	$320¼-322¾	(£177¾-179)
$20 Eagles	$449-454	(£248¼-251)	$446-451	(£247½-250¼)

LONDON MONEY RATES

Mar. 24 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12½-13½	13¾	—	—	13¾-13⅞	13-13⁷⁄₁₆	—	—	—
2 days notice	—	—	13⅝-13¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅝-13⅞	13⅝	—	—	13⅞	13	—	—	—
One month	13¾-13⅝	13⁹⁄₁₆-13¾	13⅝	14⅛-13⅞	13¾	13⅞	13	13¹⁄₃₂	13⅛	13⅞
Two months	13⅝-13½	13⁹⁄₁₆-13⁷⁄₁₆	—	14-13¾	13⅝	13⅞	12¾	12⅞	12¹⁵⁄₁₆-13	13⅝
Three months	13⁷⁄₁₆-13⅜	13⁷⁄₁₆-13⅝	13½	14-13¾	13⅝	13¾	12⅝-12½	12½	12⁷⁄₈	13⅝
Six months	13⅜-13⅜	13⅝-13½	13⅝-13½	13⅞-12¾	13½	—	—	—	12¹³⁄₁₆-12⅞	13
Nine months	13⁷⁄₁₆-13⁷⁄₁₆	13⅝-13½	—	15⅝-13¼	13½	—	—	—	—	—
One year	13⁷⁄₁₆-13⁷⁄₁₆	13⅝-13½	13⅜	13½-13¼	13½	—	—	—	—	—
Two years	—	—	13⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13¾ per cent; four years 14 per cent; five years 14¼ per cent. ♦ Banks bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 12⁹⁄₁₆ per cent; four months trade bills 13 per cent.

Approximate selling rates for one-month Treasury bills 12³¹⁄₃₂-13 per cent; two months 12²³⁄₃₂-12¾ per cent; three months 12⁷⁄₁₆ per cent. Approximate selling rate for one-month bank bills 13¹⁄₁₆ per cent; two months 12¾ per cent and three months 12½ per cent; one-month trade bills 13⅝ per cent; two months 13⁵⁄₁₆ per cent; three months 13⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from March 1, 1982. Clearing Bank Deposit Rates for sums at seven days' notice 10-10¼ per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 12.4831 per cent

Certificates of Tax Deposits (Series 5) 13½ per cent from March 8. Deposits withdrawn for cash 11 per cent.

UK COMPANY PROFILE

How Bunzl was freed from mediocrity

By Terry Garrett

BUNZL'S fortunes were founded on the stuff of dirty ashtrays. Whisked up by a change in smoking habits towards filter-tipped cigarettes, Bunzl became the supplier of filters to the country's tobacco giants. Profits moved progressively upwards in the 1950s and 1960s at such a rate that Bunzl caught the unwelcome eye of the Monopolies Commission. But even the Commission could do no more than award Bunzl the accolade that its achievements were "Due to, and justified by, the skill at which it exploits the possibilities open to a specialist producer."

Yet, ironically, as the Commission was penning its report the seeds of mediocrity for the next decade were already being sown. Major customers like Imperial were laying down their own filter manufacturing plants and penetration of filter cigarettes in the UK market had already reached more than 70 per cent. The market was close to maturity and the competition was about to hot up.

To avoid going "ex-growth" the directors realised that they had to buff up the company's image and find a new product which they could exploit in a specialist niche. They didn't find it. The search lacked direction. Management thrashed around with directors often following their own particular "bent." Bunzl ended up as a filter manufacturer with a mishmash of small unrelated companies tacked on. Far from providing the next revolutionary product, many of these subsidiaries were dragging Bunzl down. Profits fell from a peak of £15.2m in 1974 to £11.1m in 1980.

But two years ago the beast began to stir. The sale of a major Austrian subsidiary, Bunzl & Biach AG (BBAG), gave Bunzl a cash injection while the board was beefed up with the appointment of James White as managing director—previously one of Trevor Chinn's lieutenants at Lex Service Group.

"I wanted to run my own show" says Mr White. And run it he has. As the table shows much reshaping has been done since his arrival, though the most significant disposal was virtually complete before he joined.

Ernest Beaumont, the chairman, picks up the story. "The sale of BBAG in February 1980 was the first major step in laying down the groundwork for future development. In making our strategic plans there was not much we could do before we disposed of BBAG." The decision to sell had been taken two or three years earlier but finding a buyer at an acceptable price had been hard.

The purchase of BBAG for £2.4m in 1970 was originally a defensive move to protect the profitability of the merchanting division. It soon proved a millstone and the final sale involved a book write-off of over £5m.

Mr Beaumont again: "A great many things were wrong with it. In particular we found that an Austrian company of that size was not really suitable to be a subsidiary of a British public company. The whole approach to financing industry in Austria is very different from this country. The concept of gearing is quite unknown. While we constantly had to watch our gearing ratios the Austrians did not really understand them. The Austrian banks didn't understand them.

Mr White's first move was to close down Filtrona Textile Products—a company tied to the UK carpet industry, a sector which has come up with its own batch of horror stories over the past 12 months. The decision to get out of data and telecommunications—by one route or another—followed hard on the heels of the textile closure.

Mr White explains his philosophy: "If you look back at what we were deciding, there were a number of things we were engaged in which didn't offer the sort of levels of return we thought the company ought to be looking for, either in the short term or indeed the long term."

Apart from the disposals Mr White and Mr Beaumont went through the rest of the group trimming back overheads and rationalising product ranges.

In the last two years staff levels have been cut back by 15 to 20 per cent. The filter operation came in for some particularly drastic surgery, mainly because the trend away from double filters cut out a whole production process. The number of employees at the filter plants has been chopped from over 2,000 to less than 700.

Restructuring Bunzl has been a two-pronged approach. While Mr White was cutting away the deadwood of failed diversification he still had to build new profit centres away from the dependence of tobacco.

One area which has come in for a major advance is paper trading—a brokerage style of operation. "We now have an extremely well developed and geographically dispersed trading operation," says Mr White. "We have opened seven or eight offices in various strategic parts of the world and are now beginning to reap the benefits of being a major player in the world market for pulp and paper." Bunzl reckons it is among the top three traders (rather than producers) in the world.

The company has also made a significant thrust in paper distribution—a very different business from trading. Distribution is a "full system business" with fleets of trucks and warehouses full of paper and packaging. In "trading" Bunzl rarely sees the product. Action to expand distribution has been spearheaded by a spate of acquisitions in the U.S. concentrating on disposable and hygienic paper and packaging, including plastics and film rather than communication grades.

White explains his strategy: "We picked North America as being the main focus of our attention. Consumption per head is astronomical and promises to keep growing. The paper industry is laying down plans for huge increases in capacity over the next ten years.

"The U.S. is a $8bn market shared equally between the manufacturers and the distributors. The long-term trend is away from the manufacturers.

"We are concentrating on three geographical areas—the Mid-West, the North East and the South and South East. The acquisition of Jersey Paper established us in the North East and the acquisition of E. Green capitalised on that. Together they give us $80m to $90m of turnover in that area. That makes us one of the biggest players in that part of the world.

"The acquisition of Palm Beech gives us a start in what is one of the fastest-growing states in America (Florida) and now we are busily engaged in discussions which might lead to an acquisition in a few months' time in the Mid-West."

By the end of the year Mr White hopes to add two or three companies to his U.S. portfolio.

It is not just North America where Bunzl is concentrating its efforts. It recently trebled its capacity for manufacturing squeezable plastic tubes by buying out the assets of a major competitor. And this month it again increased its Brazilian exposure in a deal with American Filtrona.

The opportunities Bunzl sees in Brazil are typified by its entry into plastic containers six years ago. Bunzl is now Brazil's major producer of plastic containers for the cosmetics industry. This year it will probably produce 120m bottles, and the operation is now vying with filters as the main source of Brazilian profits.

Bunzl is also looking at Australia. But it hasn't forgotten opportunities closer to home. Mr White says that the industrial division is "now in good shape and beginning to make sensible returns. We have in position a very sound management team that clearly has the capacity not only to expand that small number of companies but also to consider the assimilation of companies in the same or related industries. Also from a tax standpoint we would like to make a move here."

While the management is concentrating on developing areas it has not turned its back on the tobacco industry—after all, it still accounts for more than half its profits. Bunzl is still pouring "hundreds of thousands of pounds" into filter research and development. Mr White sees the expenditure as an insurance policy: "I think if we weren't engaged in this research, the incentive for the tobacco majors to stay with us would disappear."

Bunzl's past dependence on the tobacco industry may have been one of its biggest headaches, but as Mr White sums it up: "Let's not say that tobacco promises no future profits for Bunzl. That is not the case. As well as promising prospects it promises quite a significant cash flow—the main source of cash for development of the newer emerging profit centres.

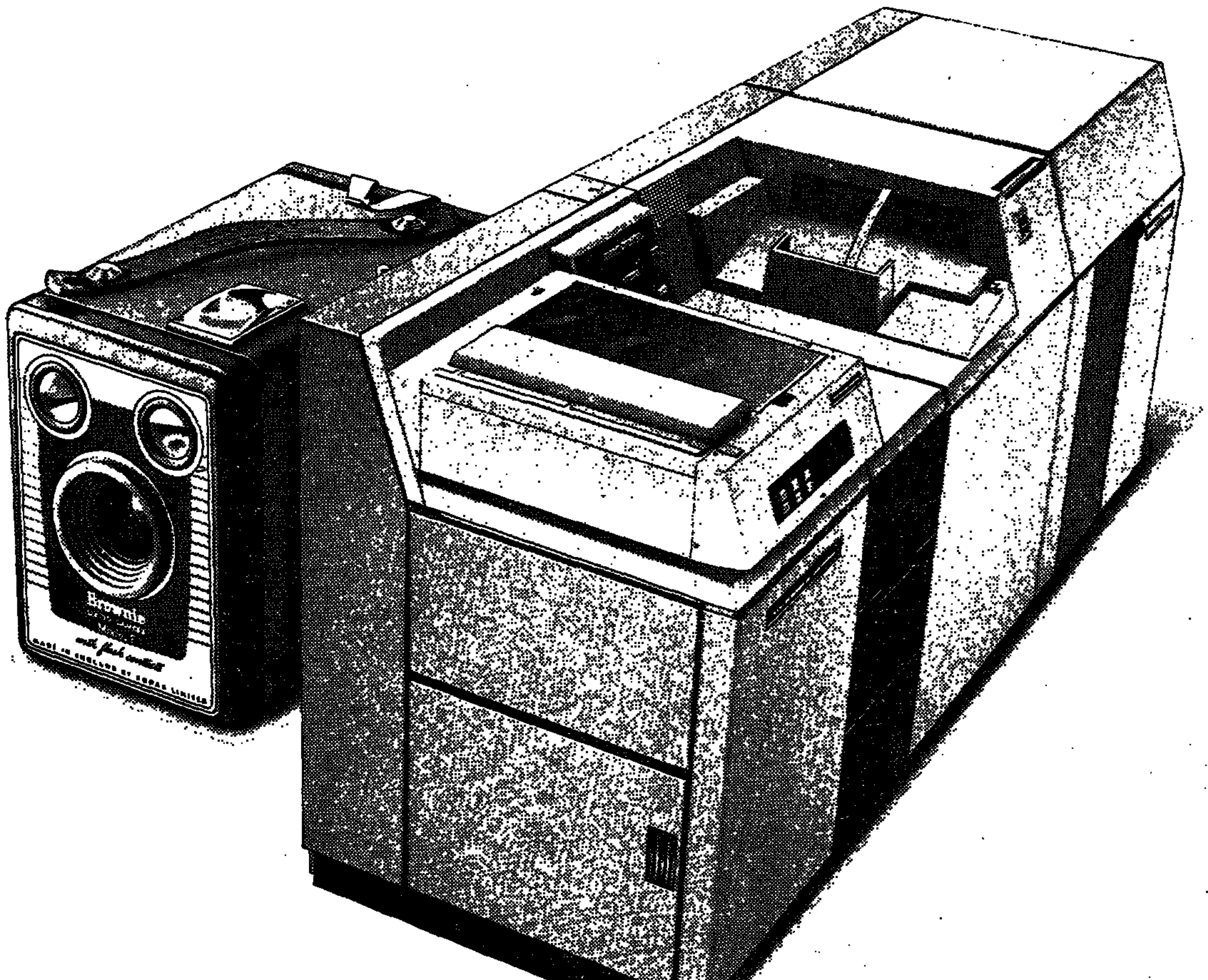
"We are in the position for the first time in quite a long time to say we have a sensible launching pad and the financial base with which to do the job."

BUSINESSES BUNZL HAS BOUGHT, SOLD AND CLOSED—1980-82

Date	Company	Country	Business	Stake %	Buyer	Price
PURCHASES						
April '81	Jersey Paper	U.S.	Disposable paper and plastic products	100	—	£3.5m
October '81	Kayline Plastics	Australia	Disposable plastic medical products	100	—	£0.37m
February '82	Palm Beach	U.S.	Disposable paper and plastic products	100	—	£3m
February '82	E. Greene	U.S.	Disposable paper and plastic products	100	—	
March '82	Filtrona Brasileira Industria E Commercio	Brazil	Cigarette filters, plastic tubes and bottles	49*	—	£0.7m
SALES						
February '80	Bunzl & Biach AG	Austria	Paper and packaging manufacturing	99.7	Papierfabrik Laakirchin and Papierfabrik Laakirchin Ein-Und Varkaufs (both Austrian)	£11.48m
February '80	Molnar & Greiner	Austria	Paper trading	25†		
July '80	Bunzl Telecommunications	UK	Telephone call logging equipment	100	Management buy out	£0.01m
November '80	Bunzl Data Systems	UK	Bureau	100	Rolfe & Nolan	£0.02m
June '81	Bunzl Adhesive Materials	UK	Self adhesive labels	100	RTZ Chemicals	£2m
November '81	Bunzl Adhesive Materials	Ireland	Self adhesive labels	100	Dmemits BV (Holland)	
March '82	Bunzl Pulp and Paper Canada	Canada	Flexible packaging	49‡	American Filtrona (U.S.)	£1.46m
CLOSURES						
July '80	Filtrona Textile Products	UK	Carpet products			

* Giving Bunzl 100% control. † Bunzl retains a 75% stake. ‡ Sale represents Bunzl's total interest.

James White, managing director of Bunzl (left) and Ernest Beaumont, the chairman.



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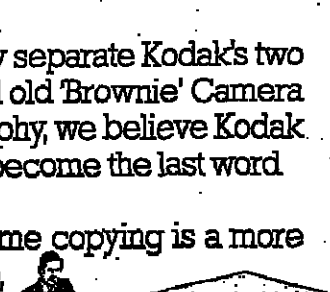

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A FINANCIAL TIMES SURVEY

SOUTH KOREA

JUNE 2 1982

The Financial Times is planning to publish a survey on South Korea in its issue of June 2 1982. The provisional editorial synopsis is set out below.

INTRODUCTION After the turbulent year that followed President Park's assassination, South Korea has made a fresh start, politically and economically. The regime of President Chun Doo-Hwan rules with a firm hand but has shown signs of wanting gradually to extend political freedoms. The economy has passed through a drastic adjustment process but may soon be poised for further growth. On the diplomatic front the Government has managed to take the initiative vis-a-vis North Korea by launching a new series of proposals for unification.

Editorial coverage will also include:

Politics **Economy** **Foreign Investment** **Trade** **North South Relations** **Relations with Japan** **Foreign Borrowing** **Banking and Finance** **Stock Market**

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INTERNATIONAL COMPANIES and FINANCE

Ford's Mexican tractor deal a boost for UK

BY WILLIAM CHISLETT IN MEXICO CITY

FORD MOTOR'S expansion in the small but booming Mexican tractor sector through its recent $80m joint venture with Nacional Financiera (Nafinsa), the State development bank, is good news for Ford UK and possibly for the UK machine tool industry.

Exports of components such as rear axles, seats, steering wheels and transmission parts from Ford UK to Mexico will be boosted significantly when Ford's new tractor plant, Mexico's largest, comes on stream in 1984 with a production capacity of 15,000 units.

British machine tools may be used in the new assembly plant at Guadalupe in the central Mexican state of Zacatecas.

Ford UK already exports components to the state-owned Sidena plant at Ciudad Sahagun outside Mexico City, which has a capacity to produce 7,200 Ford tractors under licence. Ford markets these tractors.

UK exports of tractor components to Mexico over the past five years were worth $180m.

The Sidena plant will cease to produce Ford models when the new plant starts operating.

Ford's latest venture—with Nafinsa taking a 60 per cent stake and Ford 40 per cent—comes at a time when there is a tremendous demand in Mexico for tractors. Ford is also expanding car production in Mexico.

The Government of President Jose Lopez Portillo is investing heavily in the depressed agricultural sector in an attempt to keep food production higher than the 3 per cent population growth rate.

Mexico imported 5,000 tractors in 1979, about half of them from Ford, when the Government started to mechanise farming methods.

It was after this surge in imported tractors that Ford approached Nafinsa with a view to establishing the joint venture.

As well as Ford, Deere and Co., International Harvester, and the Alfa group produce tractors in Mexico. Alfa, Mexico's largest private-sector holding company, bought the controlling share in its joint venture with Massey-Ferguson in 1980, and is the current market leader.

However, Alfa is in deep trouble after seriously over-extending itself. It has been hard hit by last month's 40 per cent devaluation of the peso which pushed up the peso cost of its $2.3bn of external debt. Alfa is planning no expansions at present.

Tractor sales grew by 16.6 per cent last year to 18,266 units. Ford, currently the second largest producer after Agromak, the Massey-Ferguson producer, increased its sales by 3 per cent to 6,069 units. Agromak's sales went up by 27 per cent to 6,866 units, Deere's by 16.4 per cent to 2,302 units and the financially shaken International Harvester's by 11.4 per cent to 3.029 units.

At the same time it is expanding its tractor production, Ford's $450m programme to rpoduce four cylinder engines, mostly for export to the U.S. and Canada, is scheduled to start operating next year.

The engine plant, with an annual capacity of 400,000 units, is located in the state of Chihuahua near the U.S. border.

As with other major car producers in Mexico, including Volkswagen, Chrysler, General Motors and Nissan, Ford is increasing its degree of local content in order to comply with Government requirements to eventually match every dollar of imports with a dollar of exports.

These requirements to link output to exports were introduced in 1977 in an effort to improve the car sector's contribution to Mexico's worsening balance of payments position and to build a self-sufficient motor industry.

The Government is enforcing the requirements more strictly this year because of a record current account deficit of $11.7bn in 1981 and few prospects for improvement this year. National car output is to be maintained at 1981 levels.

RENAULT ARGENTINA HALT

RENAULT ARGENTINA, the French company's local subsidiary, is to suspend production for a week at its main plant at Santa Isabel in the northern city of Cordoba, affecting a workforce of 3,500, writes Jimmy Burns in Buenos Aires.

Renault is the current market leader in Argentina, having recently taken over from the troubled subsidiary of Ford, which last week-end announced it was laying off 22 per cent of its 13,500 workforce.

A statement from Renault's local management said next week's closure was necessary because of the current recession and its impact on local car sales. The company added that it foresaw no up turn in the short term and was aiming to curb production.

Originally, Renault had wanted to stagger its lay-offs by halting production only on four Fridays in April. However, it is believed that the company decided to accumulate the lay-offs over one working week with the aim of pressuring the government to reach an early solution to the crisis in the motor industry.

In the first two months of 1982 car production was down by 46 per cent, compared with the same period last year, while sales fell by 57 per cent. Renault's output fell by 47.5 per cent, and its sales by 62 per cent over this period.

Three more issues for Eurodollar bond sector

By Alan Friedman

THE EURODOLLAR bond market's attention shifted to the new issue sector yesterday as three fixed-interest bonds totalling more than $225m were launched.

Electricite de France (EDF), the French state electric utility, is raising $100m through the issue of seven-year bonds with warrants. The bonds carry a finely priced coupon of 14¾ per cent at 99½, yielding 14.49 per cent at issue price. The ex-market yield is much higher.

Each bond carries a warrant for the holder to purchase an additional 14¾ per cent bond at par within the next 12 months. Societe Generale and Merrill Lynch are leading the issue.

Dealers were quoting prices for the warrants of between $19 and $21 last night, a level which seems slightly on the high side. In order for these warrants to be useful to the investor, interest rates must fall sufficiently so that the 14¾ per cent coupon stands out as an attractive rate. On the other hand, this analysis may be too rational for what is essentially a sweetener on the EDF issue and a speculative tool.

A $75m five-year issue is out for Finland through Deutsche Bank. The bonds carry a 15½ per cent coupon at 99¾ to yield 15.33 per cent.

The Oesterreichische Kontrollbank, which has a DM 150m offer at 9½ per cent running in the Euro D-Mark sector, yesterday came to the dollar bond market with a $52.13m 10-year issue. The specific amount relates to a currency swap into Swiss francs and the OKB coupon is 15¾ per cent at par. Salomon Brothers is lead-manager.

At the lower quality, higher coupon end of the market the $150m Banobras deal continues to sell slowly. The selling period ends today and most of the paper will probably find a home at a discount of 1½ to 1¾ per cent.

From Paris comes news of a $400m financial package for Caisse National des Telecommunications. A $200m floating rate note offer is out through Societe Generale with a spread of ¼ point above six-month London interbank offered rate (Libor) on the eight-year paper. There is also a $200m eight-year credit with a spread of ⅜ per cent above Libor and reimbursement in four equal instalments over the last four years.

In the secondary market, Euro-dollar bond prices were mixed in moderate trading. Fed funds headed well below 14 per cent to touch 13¾ per cent during the day.

In the Euro D-Mark sector prices were up ¼ point on the day. Swiss franc foreign bond prices were unchanged amid market consolidation.

Crown Zellerbach's SwFr 100m issue was priced with a 6¾ per cent coupon at 100¼ to yield 6.68 per cent. An issue for the Inter-American Development Bank is being organised by UBS at the moment.

The £100m World Bank bulldog bond was priced to yield 14.15 per cent through Baring Brothers. This means a 14 per cent coupon at 99.53, providing the 40 basis point spread above the 13¾ per cent partly paid Treasury stock 1987 "A".

● From ABN comes word that Sweden's Fl 100m 10-year issue had its coupon cut from 11 to 10¾ per cent. The price is par.

Second-quarter deficit of $28.6m incurred by AM

BY RICHARD LAMBERT IN NEW YORK

AM INTERNATIONAL, the struggling U.S. office equipment company, has reported further substantial losses for the second quarter of 1981-82. Net losses in the three months to January totalled $28.6m, taking the loss for the half year up to $44.5m, or $4.34 per share.

The second quarter loss includes a provision of $11m, the result of writing down discontinued operations to their estimated realisable value. In the year to July 1981 AM reported a loss of $245m, including $203m of write-downs.

Mr Joe Freeman, who took over as chairman and chief executive at the beginning of this month after the abrupt resignation of Mr Richard Black, said yesterday the company had incurred an operating loss of $6m in the second quarter. This compared with a $9m loss in the first three months.

The preliminary indication was that AM had reached break-even in terms of operating profit during the month of February, Mr Freeman added. Its Bruning and Varityper operations had been profitable in both quarters, and losses in the multigraphic division had been reduced.

However, AM is still in a desperately frail financial position. The latest losses increase the deficit on its shareholders' funds to $42.9m, while total debt now stands at $254m.

These figures mean that the company had breached a number of loan agreements with its bankers. This applies to a $115m revolving credit agreement with its domestic bankers, the terms of which were amended only last December, and also to a number of loan arrangements with non-U.S. banks.

AM said yesterday that negotiations with its lenders were continuing.

The company has not reported comparable figures for the first half of the previous year. These are to be restated on the basis of a special accounting review. AM fired its previously quarterly auditing firm, Price Waterhouse, last December and replaced it with Arthur Andersen.

Mr Black resigned this month in order to pursue a $3m law suit against the company.

GE Credit moves into international market

By William Hall, Banking Correspondent

GENERAL ELECTRIC Credit Corporation (GECC), the biggest equipment lessor in North America, is moving into the international market.

GECC, which has assets of $13bn and is a wholly owned subsidiary of General Electric Company of the U.S., has appointed Marine Lendlease (UK) as advisors and plans to move into the international equipment leasing market, initially specialising on ships.

In the U.S., GECC owns close to 3m dwt of ships, making it the largest owner of U.S. flag ships, and 130 commercial aircraft, which puts it amongst the seven largest fleets.

In 1980 GECC purchased $1bn of transportation equipment and $1.6bn last year. This side of its business accounts for 17 per cent of the group's earning assets and more than 25 per cent of net income which last year totalled $142m.

However, the growth in the U.S. equipment financing market has slowed down considerably recently partly because of regulatory changes. There is considerable uncertainty about the future direction of U.S. maritime policy currently and GECC believes that this will curb the growth of the U.S. flag fleet.

Mr Ken Rusterholz, vice president and manager of GECC's transportation operation, said in London yesterday that the company had set up a small task force to investigate the possibilities in the international market. "We have a U.S. market which we feel does not provide growth opportunities, so we are looking overseas."

GECC's move is likely to increase competition in the international equipment financing market. Mr Rusterholz said yesterday: "We want to be number one or two in every product or service we provide."

GECC has no plans to open a London office and has entered into a consultancy agreement with Marine Lendlease. Mr Arie Shapiro, managing director of the latter company, headed GATX's ship finance and dry bulk shipping operations in Europe until 1980, and Mr Saul Marias, formerly chief executive of Greyhound and Financial Corporation AG, and now a director of Marine Lendlease, will also play an active part.

Dow Chemical to cut spending as earnings fall

By Our Financial Staff

DOW CHEMICAL, second largest of the U.S. chemical producers, is reducing by 29 per cent its planned capital spending for this year. The Michigan-based group disclosed in its annual report to shareholders that expenditure of less than $1bn is planned for fiscal 1982, compared with previous plans to spend $1.4bn. In fiscal 1981, Dow spent $1.2bn on capital projects.

Last year, earnings fell from $805m or $4.42 a share to $5.63.5m or $3 a share, but some Wall Street analysts have predicted an upturn to about $3.50 a share this year.

Mr Paul Oreffice, Dow's president and chief executive, blamed the setback in profits on "the most serious global recession for many years in our industry."

Dow, which now takes about half its income from outside the U.S., is highly regarded by the U.S. investment community for its research capability and an aggressive capital expansion in downstream chemical operations.

The company has also incurred expenditure in plans to acquire its own supplies of oil and natural gas, although in 1980 sales of such properties brought in $73.7m.

Dome Petroleum profits show sharp annual fall

BY ROBERT GIBBENS IN MONTREAL

DOME PETROLEUM, one of the top three energy companies in Canada, reports net earnings of C$178.3m (US$ 146.12m), or 80 cents a share for 1981 on revenues of C$2.2bn, against 1980 earnings of C$287.2m or C$1.20 a share on revenues of C$1.1bn.

The figures, however, are not strictly comparable, as the 1981 figures include Dome's 52.9 per cent interest in Hudson's Bay Oil and Gas (HBOG) for the second half of the year, which was attributable for much of the increase in sales.

One of the main reasons for Dome's later acquisition of the minority interests in HBOG last year was to gain control of its considerable cashflow in order to service its debt estimated by the company at about C$3.8bn.

Group cash flow for 1981 was C$369.7m after preferred dividends of C$20.8m against C$21m.

Dome, like other Canadian energy groups, last year suffered from higher interest charges and Federal taxes on oil production. The gas liquids business in 1981 also did not fare as well as expected.

Dome went through a major restructuring 1981, including the separation of its frontier oil and gas interests to a new publicly held subsidiary, Dome Canada.

Imperial Oil exploration move

IMPERIAL OIL, 69.6 per cent owned by Exxon, will be seeking greater participation by Canadian companies in resource projects because of new Government policies, according to Imperial's 1981 annual report.

Mr D. K. McIvor, company chairman, said that the future of Imperial, Canada's biggest oil company, could be marked by sustained growth if it learned to adapt to the new Canadian political and regulatory trends.

Imperial's wholly-owned unit, Esso Resources Canada, would be farming out some of its exploratory lands in the Beaufort Sea, Mackenzie Delta in Northern Canada, and in offshore areas of Atlantic Canada.

In January, Imperial reported net earnings for 1981 of $465m, or $2.96 a share, on revenue of $8.19bn, compared with 1980 figures of $682m, or $4.71, on revenue of $6.35bn.

Reuter

Owens-Corning Fiberglas sees quarterly loss

By Our Financial Staff

HOPES OF a recovery this year at Owens-Corning Fiberglas, which depends heavily on the currently depressed North American housing market, have received a setback with the board warning of a loss for the first quarter of this year.

A loss of more than $2m is likely in the first quarter, compared with a restated profit of $10.5m, or 34 cents a share, in the comparable period. No indication was given of sales levels.

In fiscal 1980, Owens earnings slipped from $1.78 a share to $1.63.

Owens blamed the expected loss on the weakness in such major markets for the company as housing, motor vehicles and other consumer durables. It has reduced production levels, and while admitting that it cannot expect satisfactory results "until we are operating at a higher level of production," comments that it does not foresee such higher levels in the second quarter of this year.

A "vigorous" cost control programme has been introduced, and the board plans to reduce capital spending to below last year's $152.4m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday April 15. Closing prices on March 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16¾ 88	100	103⅝	103⅞	−0⅛	−0⅛	15.61
APS Fin. Co. 17⅞ 88	60	105⅜	106	0	−0⅛	16.31
APS Fin. Co. 16⅛ 89	75	103⅛	104	−0⅛	−0⅛	15.29
Amco O/S Fin. 15⅞ 86	50	100⅝	100⅞	+0⅛	+1⅛	15.11
Australian Ind. 15⅞ 87	25	199	99⅞	0	+0⅛	15.71
Baker Int. Fin. 0.0 92	225	24⅛	25	0	+0⅛	16.01
Bank. Montreal 16⅛ 91	150	103⅛	103⅝	0	+0⅛	15.53
Br. Colum Hyd. 16⅛ 88	150	103⅛	103⅝	0	+0⅛	15.30
Br. Colum. Mis 17 97	54	103⅛	103⅝	0	0	16.31
Burroughs Int. 15⅛ 88	50	100⅞	101⅛	−0⅛	−0⅛	15.41
Canadair 15⅛ 87	150	100⅛	101	0	+0⅛	15.27
Can. Nat. Rail. 14⅛ 91	150	97⅛	97⅞	+0⅛	+0⅛	14.81
Carolina Power 16⅛ 89	60	103	103⅛	+0⅛	+0⅛	15.67
Caterpillar Fin. 16⅛ 86	100	103	103⅛	0	−0⅛	15.37
CFMP 16⅛ 86	100	101⅞	102⅛	+0⅛	−0⅛	15.57
CIBC 16⅛ 91	100	104⅛	105⅛	0	+0⅛	15.62
CIBC 16 87	100	102⅛	103⅛	+0⅛	+1	15.09
Citicorp O/S 16⅛ 86	100	102⅛	102⅝	+0⅛	+0⅛	15.26
Cons.-Bathurst 17⅛ 88	60	102⅛	102⅝	−0⅛	0	16.77
Con. Illinois 16⅛ 89	100	102⅛	102⅝	−0⅛	−0⅛	15.10
Dupont O/S 14⅛ 89	400	100	100⅛	+0⅛	+0⅛	14.39
Dupont O/S Cap. 0.0 90	300	34⅛	34⅛	0	−0⅛	14.49
EIB 16⅛ 91	100	104⅛	105⅛	+0⅛	+0⅛	15.31
Gen. Elec. Credit 0.0 92	400	25⅛	27⅛	0	−0⅛	14.65
Gen. Elec. Credit 0.0 93	400	23⅛	23⅛	−0⅛	−0⅛	15.66
GMAC O/S Fin. 16⅛ 84	300	101⅛	101⅛	−0⅛	−0⅛	15.74
GMAC O/S Fin. 16 88	150	101⅛	101⅞	+0⅛	+1	15.53
Gulf Oil Fin. 0.0 92	300	25⅛	25⅛	+0⅛	+0⅛	14.63
Gulf States O/S 17⅛ 88	60	104⅛	104⅛	0	+0⅛	16.28
Japan Airlines 15⅛ 88	50	101	101⅛	+0⅛	+0⅛	14.89
Japan Dev. Bk. 15⅛ 87	100	101⅛	101⅛	+0⅛	+0⅛	14.63
Nat. Bk. Canada 16⅛ 88	40	101⅛	102⅛	−0⅛	+0⅛	16.95
Nat. West 14⅛ 91	100	99	99⅛	+0⅛	+0⅛	14.86
New Brunswick 17 88	75	107⅛	108⅛	+0⅛	+1	14.89
New Brunswick 16⅛ 89	75	102⅛	103⅛	0	0	15.53
New S. Lab. Hy. 17⅛ 89	75	102⅛	103⅛	+0⅛	+0⅛	16.30
Ohio Edison Fin. 17⅛ 89	75	105⅛	105⅛	0	+0⅛	16.03
OKG 15⅛ 87	50	98⅛	99⅛	+0⅛	+0⅛	15.86
Ontario Hyd. 16 91 (N)	200	103⅛	104⅛	+0⅛	+0⅛	15.11
Pac. Gas & El. 15⅛ 89	80	103⅛	104	0	−0⅛	14.80
J. C. Penney O/I 0.0 94	350	19⅛	20⅛	+0⅛	+0⅛	14.28
Quebec Hydro 17⅛ 19	150	107⅛	108⅛	0	+0⅛	15.53
Quebec Prov. 15⅛ 89	150	99	99⅛	+0⅛	+0⅛	16.37
R.J. Rynlds. O/S 0.0 92	400	24⅛	25⅛	−0⅛	+0⅛	14.69
Saskatchewan 16⅛ 88	125	102	102⅛	+0⅛	+0⅛	15.31
Saskatchewan 16 89	125	102	103⅛	+0⅛	+0⅛	15.44
Statsforetag 15⅛ 87	50	99⅛	99⅛	0	+0⅛	15.89
Sweden 14⅛ 88	150	95⅛	96⅛	0	+0⅛	15.45
Swed. Ex. Cred. 16⅛ 93	75	101⅛	102⅛	0	+0⅛	15.06
Texas Eastern 15⅛ 88	75	101⅛	101⅛	0	+0⅛	15.44
Transcanada 16 89	100	100⅛	101⅛	+0⅛	+0⅛	15.74
Winnipeg 17 88	50	105⅛	106⅛	+0⅛	+0⅛	15.87
WMC Fin. 15⅛ 88	50	97⅛	98⅛	+0⅛	+1	15.92
World Bank 16⅛ 86	130	104⅛	104⅛	+0⅛	+0⅛	15.07
World Bank 16⅛ 88	150	104⅛	105⅛	+0⅛	+0⅛	15.35
World Bank 15⅛ 88	250	99⅛	100⅛	+0⅛	+0⅛	15.20

Average price changes... On day 0 on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 9⅛ 91	200	101⅛	102⅛	+0⅛	+1⅛	9.04
Australia 9⅛ 91	200	101⅛	101⅛	+0⅛	+1	9.03
Belgelectric 11 91	100	103⅛	103⅛	−0⅛	+1⅛	10.38
Comp. Tel. Esp. 10⅛ 92	100	99⅛	100⅛	+0⅛	+0⅛	10.64
Denmark 10 88	100	100	101	0	+0⅛	9.74
Denmark 10⅛ 92	100	101⅛	101⅛	+0⅛	+0⅛	9.85
EEC 10⅛ 91	100	102⅛	103⅛	+0⅛	+0⅛	9.82
EEC 9⅛ 94	200	101⅛	101⅛	+0⅛	+0⅛	9.53
EIB 9⅛ 93	200	100⅛	101⅛	+0⅛	+0⅛	9.53
Inter-American 10⅛ 91	100	104⅛	105	+0⅛	+1⅛	9.48
Ireland 10⅛ 88	100	100⅛	101⅛	0	+0⅛	9.82
Norco 11 88	100	103⅛	103⅛	−0⅛	+0⅛	10.71
Mt. Bk. Dnmk. 10⅛ 91	100	101⅛	102⅛	0	+0⅛	10.19
Nacnl. Financiera 11 90	150	98⅛	99⅛	0	+0⅛	11.09
Nat. West. 9⅛ 92	100	103	103⅛	+0⅛	+0⅛	9.32
New Zealand 9⅛ 89	200	102⅛	103⅛	+0⅛	+1	9.17
OKB 10⅛ 91	100	102⅛	102⅛	0	+0⅛	9.67
OKB 9⅛ 88	150	100⅛	100⅛	−0⅛	+0⅛	9.65
Quebec 10⅛ 92	150	102⅛	103⅛	+0⅛	+0⅛	9.59
Quebec Hydro 10⅛ 21	150	102⅛	103⅛	+0⅛	+0⅛	9.70
Tauernautobahn 9⅛ 94	100	101	101⅛	+0⅛	+0⅛	9.69
Venezuela 11⅛ 91	100	100⅛	101⅛	0	+0⅛	11.30
World Bank 10 91	250	103⅛	103⅛	+0⅛	0	9.42

Average price changes... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7⅛ 92	50	102	102⅛	0	+0⅛	7.19
Asian Dev. Bank 8 90	80	103⅛	103⅛	0	+0⅛	7.39
Australia 6⅛ 93	300	95⅛	96	−0⅛	−0⅛	6.33
Belgelectric 7⅛ 91	100	99⅛	100⅛	0	+0⅛	7.38
Bell Canada 7⅛ 93	100	100⅛	101⅛	+0⅛	+0⅛	6.54
Bet. de Autopistes 8 93	100	100	100⅛	+0⅛	0	7.77
Co-op. Denmark 8⅛ 92	25	102⅛	102⅛	0	0	7.88
Denmark 7⅛ 91	100	100⅛	100⅛	+0⅛	+1⅛	7.19
EIB 7⅛ 93	100	101⅛	101⅛	0	+0⅛	7.03
Elec. de France 7 92	100	101⅛	101⅛	+0⅛	+0⅛	7.90
ENEL 8 92	100	101	101⅛	−0⅛	+0⅛	7.79
First City Fin. 8⅛ 92	25	101⅛	102⅛	+0⅛	0	7.76
Japan Air Lines 7⅛ 91	100	104⅛	104⅛	−0⅛	−0⅛	6.88
National Power Co. 8 92	100	102⅛	102⅛	−0⅛	+0⅛	7.69
Manitoba 7 92	100	103⅛	104	0	0	6.46
Nippon T. and T. 6⅛ 92	100	100⅛	101⅛	0	+0⅛	7.17
OKB 7⅛ 92	100	102⅛	102⅛	+0⅛	−0⅛	7.35
Ost. Donaukraft 7 92	100	101	101⅛	−0⅛	+0⅛	6.85
Ost. Postspar 7⅛ 92	60	101⅛	101⅛	+0⅛	+0⅛	7.30
Quebec 7⅛ 92	100	103⅛	104	+0⅛	+0⅛	6.83
Saint-Etienne 8⅛ 91	20	107	107⅛	−0⅛	−0⅛	7.41
Soc. Lux. de Cnt. 8⅛ 92	80	104⅛	104⅛	+0⅛	−0⅛	7.38
TNT O/S Fin. 8 91	50	104⅛	105⅛	0	0	7.25
Transcanada Pipe. 7 94	100	102⅛	102⅛	−0⅛	+0⅛	6.67
Unilever NV 7⅛ 93	100	107⅛	107⅛	−0⅛	+1	6.57
World Bank 8 91	100	104⅛	105⅛	+0⅛	+0⅛	7.12

Average price changes... On day 0 on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅛ 97	15	100⅛	101⅛	+0⅛	+0⅛	8.13
Finland, Rep. of 8⅛ 87	15	99⅛	100⅛	0	+0⅛	8.27
Int.-Amer. Dev. 8⅛ 91	15	101⅛	102⅛	+0⅛	+0⅛	8.51
Japan Airlines 7⅛ 87	9	98	99⅛	0	+0⅛	8.32
New Zealand 8⅛ 87	15	100⅛	101⅛	+0⅛	+0⅛	8.18

Average price changes... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Utilities 17 86 CS	50	†98⅛	99⅛	+0⅛	+0⅛	17.16
CIBC 15⅛ 89 CS	75	†97⅛	97⅛	+0⅛	+1⅛	16.37
Fanconadian 16⅛ 88 CS	65	†99⅛	100⅛	+1⅛	+1⅛	16.40
Quebec 17⅛ 87 CS	50	†102	103	+0⅛	+0⅛	15.42
Queb. Urban 16⅛ 86 CS	20	†100⅛	101	+0⅛	−0⅛	16.43
Toronto Dom. 16⅛ 88 CS	25	†97⅛	98⅛	0	0	17.04
Transaltn 17 89 CS	50	†100⅛	100⅛	+0⅛	+0⅛	16.87
U. Bk. Nwy. 9⅛ 90 EUA	18	92	93⅛	+0⅛	0	10.93
Algemene Bk. 10⅛ 86 Fl	60	100⅛	101⅛	−0⅛	+0⅛	9.96
Amfas Group 12⅛ 86 Fl	40	104⅛	105⅛	−0⅛	−0⅛	10.92
Amro Bank 12 86 Fl	75	105⅛	106⅛	0	+1⅛	10.16
Amro Bank 12 86 Fl	100	104⅛	105⅛	+0⅛	−0⅛	10.40
Pierson 10⅛ 86 Fl	50	100⅛	100⅛	0	+0⅛	10.08
Rabobank 12 86 Fl	100	105	105⅛	0	+1	10.27
OKB 14 86 FFr	400	88⅛	89⅛	−0⅛	−0⅛	17.58
Solvay et C. 14⅛ 86 FFr	200	90⅛	91⅛	0	−1⅛	18.11
Acona 14 85 £	20	94⅛	95⅛	−0⅛	−0⅛	15.81
Beneficial 14⅛ 90 £	20	86⅛	87⅛	−0⅛	+0⅛	17.12
BNP 13⅛ 91 £	15	90⅛	91⅛	+0⅛	+0⅛	15.32
CECA 13⅛ 88 £	20	93⅛	93⅛	0	+0⅛	14.68
Citicorp O/S 13⅛ 90 £	50	95⅛	96⅛	−0⅛	0	14.26
Fin. Ex. Cred. 13⅛ 86 £	15	96⅛	96⅛	0	+0⅛	15.28
Gen. Elec. Co. 12⅛ 89 £	50	97⅛	97⅛	+0⅛	+1⅛	14.04
Hiram Walker 14⅛ 86 £	25	97⅛	97⅛	+0⅛	+0⅛	15.14
Privatbanken 14⅛ 88 £	12	92	93	0	+0⅛	16.54
Reed (Nd) NV 16⅛ 89 £	25	100⅛	101⅛	0	+0⅛	15.45
J. Rothschild 14⅛ 90 £	12	98	99	+0⅛	+0⅛	14.52
Royal Trustco 14 86 £	12	94⅛	97⅛	0	−0⅛	15.04
Swed. Ex. Cr. 13⅛ 86 £	20	96⅛	97⅛	−0⅛	+0⅛	14.89
Eurofima 10⅛ 87 LuxFr.	500	96⅛	97⅛	+0⅛	+1⅛	11.12
EIB 9⅛ 88 LuxFr	600	92⅛	93⅛	+0⅛	+0⅛	11.35

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5⅛ 91	0⅛	98⅛	99⅛	29/4	17.06	17.17
Bk. of Tokyo 5⅛ 91 (D)	0⅛	98⅛	99⅛	10/6	13⅛	13.40
Bk. Nova Scotia 5⅛ 93	0⅛	99⅛	99⅛	29/4	17.06	17.15
BFCF 5⅛ 88	0⅛	99⅛	100⅛	26/4	16.94	15.96
BFCE 5⅛ 87	0⅛	99⅛	100⅛	22/7	16⅛	16.25
Christiania Bank 5⅛ 91	0⅛	99⅛	99⅛	5/5	15	15.12
Co-Ban Eurofin 5⅛ 91	0⅛	98⅛	99⅛	11/4	16.69	16.88
Credit Nat 5⅛ 94	0⅛	99	99⅛	9/6	14.56	14.80
Denmark, Kngdm. of 92	0⅛	98⅛	99	25/2	15.44	15.63
Den Norske Cred. 5⅛ 93	0⅛	98⅛	98⅛	4/6	13.56	13.24
Genfinance 5⅛ 92	0⅛	99⅛	100⅛	30/6	15⅛	15.52
GZB 5⅛ 92	0⅛	99⅛	99⅛	6/8	14.94	15.05
Ind. Bank Japan 5⅛ 88	0⅛	98⅛	99⅛	9/5	13.21	13.43
Lloyds Eurofin 5⅛ 93	0⅛	99⅛	99⅛	29/4	17.06	17.22
LTCB Japan 5⅛ 89	0⅛	98⅛	99⅛	16/7	15.31	15.41
Midland Int. Fin. 5 91	0⅛	99⅛	99⅛	30/4	17.06	17.13
Nat. Bk. Canada 5⅛ 88	0⅛	99⅛	99⅛	24/9	15⅛	15.43
Nat. West. Fin. 5⅛ 91	0⅛	99⅛	99⅛	15/7	15.19	15.26
Nippon Credit 5⅛ 90	0⅛	99⅛	99⅛	15/9	16.06	16.12
Nordic Int. Fin. 5⅛ 91	0⅛	98⅛	99⅛	6/5	15⅛	15.82
Offshore Mining 5⅛ 91	0⅛	98⅛	99⅛	2/6	13	13.13
Pemex 6 91	0⅛	96	96⅛	3/4	17	17.66
PKbanken 5 91	0⅛	98⅛	99⅛	17/3	14⅛	14.52
Sanwa Int. Fin. 5⅛ 88	0⅛	98⅛	99⅛	24/3	17⅛	17.31
Scotland Int. 5⅛ 92	0⅛	98⅛	99⅛	23/9	15⅛	15.59
Sec. Pacific 5⅛ 91	0⅛	98⅛	99⅛	24/5	13⅛	13.37
Societe Generale 5⅛ 91	0⅛	199	99⅛	22/7	15⅛	15.38
Societe Generale 5⅛ 95	0⅛	99⅛	99⅛	1/9	15⅛	15.37
Standard Chart. 5⅛ 91	0⅛	99⅛	99⅛	13/5	13.31	13.42
Sumitomo Fin. 5⅛ 88	0⅛	99⅛	99⅛	7/7	15.94	16.00
Sweden 5⅛ 89	0⅛	99⅛	99⅛	16/6	15.31	15.41
Toronto Dom'n 5⅛ 92	0⅛	99⅛	100⅛	11/8	16⅛	16.40

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	91⅛	93⅛	+0⅛	11.79
Bow Valley Inv. 8 95	4/81	23.12	97⅛	99⅛	−0⅛	65.20
Bridgestone Tire 5⅛ 96	3/82	470	80⅛	81⅛	0	−4.62
Canon 6⅛ 95	1/81	829	87⅛	89⅛	+0⅛	9.72
Daiwa Secs. 5⅛ 96	12/81	513.3	76⅛	64⅛	+0⅛	−1.50
Fujitsu Fanuc 4⅛ 96	10/81	6770	68	89⅛	−3⅛	27.69
Furukawa Elec. 5⅛ 96	7/81	300	70	71	−0⅛	−8.17
Hanson O/S Fin. 9⅛ 95	8/81	1.36	182	89	0	−11.19
Hitachi Cable 5⅛ 96	2/82	515	88⅛	93⅛	+0⅛	6.05
Hitachi Cred. Cpn. 5 96	7/81	1772	76⅛	78⅛	+2⅛	12.90
Honda Motor 5⅛ 97	3/82	841	75⅛	77	+1⅛	5.39
Inchcape 8 95	2/81	4.55	152⅛	80	0	23.03
Kawasaki 5⅛ 96	9/81	229	68⅛	67⅛	+1⅛	2.70
Marui 6 96	7/81	831	91⅛	92⅛	+0⅛	16.36
Minolta Cameras 5 96	10/81	909	63	64⅛	+1⅛	19.30
Murata 5⅛ 96	7/81	2180	58⅛	59⅛	+1⅛	15.15
NKK 6⅛ 96	7/81	153	76⅛	77⅛	+0⅛	30.55
Nippon Chemi-C 5 91	7/81	319	156	58	0	−13.94
Nippon Electric 5⅛ 91	2/82	846	86⅛	88⅛	+2⅛	3.02
Orient Finance 5⅛ 97	3/82	1587	86⅛	88⅛	+0⅛	8.13
Sanyo Electric 5 96	10/81	652	71	72⅛	+1⅛	8.52
Sumitomo Elec. 5⅛ 97	10/81	636	70⅛	80⅛	+2⅛	12.88
Sumitomo Met. 5⅛ 96	10/81	296	61⅛	87⅛	+0⅛	−0.47
Swiss Bk. Cpn. 6⅛ 90	9/80	191	70	72	−0⅛	15.25
Konishiroku 6 90 DM	2/82	586	98⅛	98⅛	0	10.87
Mitsubishi H. 6 89 DM	2/82	283	92	93	0	−2.12
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.84

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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December 1981

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(a wholly-owned subsidiary of Bunzl Pulp and Paper, Ltd.)

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Andrew Fisher, recently in Helsinki, reports on a flourishing Finnish shipbuilder

Wartsila turns paradox into profit

WARTSILA, the leading Finnish shipbuilder, has turned paradox into profit by simultaneously building luxury cruise ships for the capitalist West and functional ice-breaking ships for the Soviet Union.

By winning this year an order worth more than $150m from P & O Cruises of the UK for the world's most expensive cruise ship, it demonstrated the successful lengths to which it had taken specialisation.

Other shipbuilding countries, including Britain, have been impressed by the way in which Wartsila and other companies in Finland have applied sophisticated planning techniques aided by computers and skilled design work.

This in the end was what swayed P & O in its decision to build in Finland rather than elsewhere. Denmark was closely in the running, with France not far behind. Swan Hunter in the UK could have built the ship, but not so quickly or cheaply.

Wartsila, concentrating on tailor-made ships rather than straightforward cargo series, relies heavily on new production methods and skilled organisation. It now has a shipbuilding order book of nearly FM 8bn ($1.74bn).

Although the Helsinki yard has been in the news through the valuable P & O order, the biggest placed by the company, the largest part of Wartsila's order book is being constructed at the Turku yard and the nearby modern Perno facility.

Turku is on the south-west coast of Finland, almost three hours train ride from the capital. It has an order total of some FM 5bn, of which half the tonnage is being built for the Soviet Union.

"We are fully booked until the end of 1984," said Mr Per-Erik Sundman, vice managing director of the Turku yard. Its orders were considerably swelled last autumn when 17 ships were ordered, mostly by V/O Sudoimport of the Soviet Union.

Its Soviet orders include nine multi-purpose cargo vessels specially strengthened to withstand Arctic conditions, four supply ships, three complicated crane ships, and dredgers.

Also on the order list are two medium-sized tankers for Neste of Finland, three multi-purpose ships for Lief Hoegh of Norway, and two liquefied petroleum gas (LPG) ships for Maravan of Venezuela, as well as a small cruise ship for Iraq.

Wartsila, like other Finnish builders, was prevented from going down the big tanker route, which spelled ruin for many world yards after the oil crisis, as much by lack of money as by foresight.

It spent FM 400m on the Perno yard, five miles from Turku, and is now investing another FM 170m. Perno, opened in 1976, is thus one of the most modern yards in the world. Soon not only the hull construction but also the final outfitting will be done there, leaving Turku with repaid business.

What Wartsila blandly calls its "new thinking" will be put fully into practice here, as whole engine room or cabin units (macromodules as they are termed) are lifted straight into the ship instead of being installed component by component.

Each of the Arctic ships being built for the Soviet Union, designed to work in conditions as cold as minus 50 degrees Centigrade, will be equipped with an air cushion vessel, another name for a hovercraft.

A few years ago, when shipbuilding was in the depths of a worldwide recession, the yard had to take orders for domestic ferries at a loss as part of a Government-subsidised programme to provide business.

But the present full order book, unaided by subsidies, shows how Wartsila has benefited from its decision to specialise. The company first began to make passenger ferries in the early 1960s and built on its expertise to expand into cruise ships.

The Helsinki yard, however, as well as building for the cruise market is also well to the fore in ice-breakers, of which it has built 44 altogether and has another 10 on order for the Soviet Union.

The yard also built the largest and fastest passenger car ferry, the Finnjet, which goes from Helsinki to Travemunde in Germany, burning vast amounts of fuel in the process.

In all, Wartsila has 16 prototype ships either being built or on order at its various yards, a clear indication of how specialised it has become. A brand new ice-breaking laboratory will open in Helsinki next year.

Wartsila also makes engines, industrial porcelain, glass and pottery consumer goods, and locks. Shipbuilding sales last year accounted for FM 1.9bn of total group turnover of FM 3.1bn which was up by more than 17 per cent.

For the shipbuilding division, this was a rise of 13 per cent. Wartsila has already announced that net earnings rose from FM 19m to nearly FM 29m in 1981 and a higher dividend and a rise in share capital.

Without the Soviet business, with oil a key element in the two-way trade, Wartsila would have a less stable base for its thrust into the cruise market. Sandwiched on the Helsinki yard's order list between the Song of America cruise ship and the latest one for P & O are as many as 14 ships for the Soviet Union plus air cushion vessels.

P & O's costly new cruise ship will be known as yard No. 464 at Wartsila's Helsinki shipyard until the UK group comes up with a name it reckons will be equitable for the American holiday market.

At the moment, No. 464 has a long way to go before it moves off the drawing board and out of the planning stage on its way to becoming a glamorous cruise vessel. An immense amount of planning has yet to be done by Wartsila and P & O's own building team. Still being completed in Helsinki is the Song of America due to start service in December for Royal Caribbean Cruise Line of Norway.

To many people, cruising is an anachronism or a distant dream. Either way, it makes for an expensive holiday. But enough new ships are on order in various yards to show that operators see sizeable profits ahead.

The hope at P & O Cruises is that the market in the U.S., especially from the West Coast, will have regained enough buoyancy by late 1984 to justify its new luxury floating hotel.

Since P & O has options to build more ships at Wartsila, the Finnish company also has a close interest in the future of the cruise business. The order is the biggest for one ship ever placed in Finland.

One key attraction for P & O, apart from keen price and delivery terms, is the low fuel consumption offered on the ship. Wartsila will install engines built by it under licence from France's Pielstick

Weakening demand halves earnings at Electrolux

BY WESTERLY CHRISTNER IN STOCKHOLM

ELECTROLUX, the Swedish household appliance group, reports a sharp decline in profits for 1981 — its first setback since 1975.

Profits before tax and currency losses have virtually halved from SKr 1bn to SKr 508m ($87m) in the face of weakening demand and rapidly rising financial charges.

Despite the setback, however, the directors yesterday recommended lifting the dividend to SKr 8 a share from the SKr 7.50 of 1980 for a total dividend cost of SKr 203.6m, against SKr 185.9m. Adjusted per-share profit declined to SKr 9.80 from SKr 19.05.

The poor result, which was clearly signalled by Electrolux in December, was attributed to dampened demand in Western Europe and to the weakening of the U.S. economy, notably in the latter part of last year. The company said yesterday that continued weakness in the Swedish building industry led to a decrease in demand for household appliances and building products.

Group net financial charges soared to SKr 1.2bn last year from SKr 725m in 1980 as a result of high interest rates and the increased borrowing necessary to finance stocks and company acquisitions. In recent years Electrolux has expanded strongly through acquisitions.

By selling hydro-electric power plants to the state power board and other buyers, however, the group secured an extraordinary credit of about SKr 1bn.

Matra wins better state terms

BY TERRY DODSWORTH IN PARIS

SHAREHOLDERS in Matra, the French arms and high technology group, have wrung substantially improved nationalisation terms out of the Government.

The 48 per cent increase in the compensation payment, from FFr 1,215 a share under the original agreement to FFr 1,800 ($288), represents a compromise between what shareholders were demanding in a court action last January, and what the Government was prepared to pay.

Protests by a vociferous shareholders' group were sparked off by the Constitutional Council ruling which increased the amount the Government had to pay to take over most of the companies on the nationalisation list.

Although only 51 per cent of Matra is being acquired by the state, under a private deal agreed outside parliament, shareholders claimed they had the right to similar treatment. A price of around FFr 2,800 a share was put on the company according to some calculations based on the other compensation terms.

From the start, the Government made it clear that it was not willing to be pushed as far as some Matra shareholders were demanding, while the Left wing of the Socialist Party advocated a full-scale takeover if negotiations failed. The company first said that it wanted to "stay within the framework of the October agreement with the Government. This involved a two-part deal, with a capital increase reserved for the State, followed by a bid for current shares at the premium price.

This format for the takeover has been followed in the new deal, with a state-reserved capital increase at FFr 1,625 a share being followed by a partial bid for current shares worth FFr 1,800 each.

Intertechnique plans rights issue

BY OUR PARIS STAFF

INTERTECHNIQUE the French high technology mini computers to aerospace equipment group, is planning a rights issue after increasing consolidated profits by 37 per cent last year to FFr 38.6m ($6.2m).

Terms are one-for-seven at FFr 480 a share to raise FFr 30m ($4.8m).

The company, one of the fastest growing concerns in its sector in France, is 30 per cent owned by the family interests of M Marcel Dassault, founder of the now-nationalised Dassault-Breguet aircraft manufacturing group. It increased turnover last year from FFr 579m to FFr 702m, while cash flow rose from FFr 33m to FFr 43.1m.

The capital increase will form part of a growth plan agreed with the Government to develop the company's activities in the office equipment market. Under this project, the company is to receive FFr 85m of state aid, of which FFr 61m will be in the form of subsidies and FFr 24m in subordinated loans, in return for investing FFr 418m over the next four years.

At the same time, the company has to achieve specific sales growth targets of 40 per cent a year, while increasing employment, expanding its capital base, and reinvesting a certain proportion of profits over the 1981-83 period. It is scheduled to start a new plant in the Montpellier region employing between 350 and 400

Profit increase for Italian soap group

By Our Financial Staff

MIRALANZA, the leading Italian maker of detergents, soaps and other chemical products, increased net profits to L1.59bn ($1.23m) in 1981 from L454m a year earlier. The directors plan a L500 dividend per share, against L400 previously.

Turnover rose to L238.5bn from L203.1bn with exports moving up by 43 per cent to L20.4bn.

A L6.5bn issue of convertible bonds is also proposed. The 5½ year bonds will have a coupon of 14 per cent.

Miralanza is controlled by the holding company of the Bonomi family.

Joint venture activities give BAII sharp boost

BY DAVID HOUSEGO IN PARIS

A SUBSTANTIAL expansion of joint venture activities with Arab partners helped lift profits by 73 per cent last year at Banque Arabe et Internationale d'Investissement, the Paris-based consortium controlled by Arab institutions and Western banks.

Net earnings rose from FFr 20.4m to FFr 35.4m ($5.66m) after a 39 per cent increase in profits in 1980. The group also benefited from increased profits on securities dealings but witnessed a downturn in the volume of its letter of credit business.

The bank says that the creation of several new joint ventures has substantially widened the scope of its operations. Arab Finagrain Agribusiness was set up to trade in agricultural commodities in the Middle East and construct agricultural plants.

As partners with the Sheraton Hotel group and Arab investors, the bank launched the operations of Amar Investment Hotel Corporation with the buying of a luxury hotel in Rome.

Steady rise in Swiss banking assets

By Our Zurich Correspondent

THE COMBINED balance-sheet total of Switzerland's 71 reporting banks rose by 14.8 per cent last year to a record SwFr 428.8bn ($226.9bn), according to the Swiss National Bank. In previous years, these banks have accounted for rather more than three-quarters of total assets of the country's banking system.

The National Bank points out that the sharp rise in the 1981 figure was due partially to the new rule by which precious-metal accounts must be included in balance sheets. Without these, the increase would have been one of only 9.3 per cent, compared with a 10.9 per cent growth rate in the previous year.

Not included in balance sheets are the banks' substantial fiduciary accounts. These rose by 28.3 per cent last year to SwFr 68.2bn. Of these new fiduciary funds, almost two-thirds originated outside Switzerland. As in previous years, they were invested almost entirely abroad.

More Siemens losses on parts

BONN—Siemens AG's components division will remain loss-making in the year to September because of general market stagnation, Siemens said.

Turnover in communications and data systems will increase in the year, but weak demand in other micro-electronic sectors means Siemens cannot be confident that the division's sales overall will rise. Reuter

Swiss funds pay more

BY JOHN WICKS IN ZURICH

HANDELSBANK NW, a Zurich-based affiliate of the UK's National Westminster banking group, announces increased dividends for its two international invsetment funds Bondwert and Uniwert.

In the financial year ended January 31, the Bondwert Fund for fixed-interest investments recorded "unusually high interest income," net earnings per unit rising to SwFr 9.01.

The dividend per certificate, of which the issue price stood at SwFr 110 at the end of the financial year, is to be increased from SwFr 6 to SwFr 7.

The Uniwert mutual fund dividend has been raised from SwFr 3.30 to SwFr 3.60 per certificate from net income totalling SwFr 1.03m. Major holdings of the SwFr 19.7m total portfolio were in U.S., Swiss and Japanese shares.

Philips expects modest growth this year

BY CHARLES BATCHELOR IN EINDHOVEN

PHILIPS, the Dutch electrical group, expects profits to show only a gradual improvement in 1982 though stronger growth is forecast for 1983 when the impact of cost-cutting becomes apparent.

Volume sales will this year rise by about 5 per cent, the same rate as in 1981. Last year net profit improved by only Fl 12m to Fl 357m (135m) on sales which were 16 per cent higher at Fl 42.4bn.

The company's performance in the first three months of the current year was in line with expectations, said Dr Wisse Dekker, the chairman.

Philips expects to shed a further 10,000 to 15,000 jobs in Europe this year as part of its plan to streamline production after reducing its worldwide workforce by 19,600 to 348,100 in 1981.

Philips also expects to make further substantial investments in 1982 in new production technologies and in renewing and expanding its product range after capital spending of Fl 2.63bn last year. Investments will be 20 per cent higher than depreciation.

Major new products include the audio compact disc, which will go on sale early next year, and a video recorder/camera on which a basic standard agreement was recently reached with a number of Japanese manufacturers. Philips is also developing modular systems for home video and audio products.

The company is currently doubling capacity for its V2000 video cassette recorder to 1m units and hopes to secure between 20 per cent and 30 per cent of the European market this year.

Philips is attempting to reduce its financing costs, which rose to Fl 2bn last year from Fl 1.2bn in 1980, said Mr Jan Zantman, finance director. It is cutting stock levels and dealers credits and bringing new spending closer into line with depreciation.

High financing costs, pressure on margins and the cost of the major restructuring programme held back profit growth in 1981. Currency movements improved Philips' competitiveness, however.

Mitsui & Company makes Y40bn Iranian provision

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

MITSUI & CO. the major Japanese participant in the ill-fated Bandar Khomeini project in Iran, has decided to allocate Y40bn ($163m) to a special reserve fund to cover losses on the project.

The transfer will form part of Mitsui's settlement of accounts for the business year ending March 31 and will be formally approved by a shareholders' meeting in June. The company also plans to cut its dividend from Y7 to Y5 per share.

Mitsui & Co is the most heavily involved of five member-companies of the Mitsui group in the $3bn Bandar Khomeini project which was originally designed to produce petrochemical products from natural gas burned off from the oil fields of Southern Iran. It has long since ceased to be viable as a result of political upheavals, war damage, and prolonged delays in the construction timetable.

The company has been attempting to withdraw from the project and to claim compensation for its losses from a Japanese Government insurance fund. It has been hindered by an apparent reluctance on the part of the Government to meet its compensation demands and by the fact that Iran continues to press strongly for early completion.

Mitsui & Company's overall exposure to Banda Khomeini has been estimated at Y207bn including loans, loan guarantees, and the value of a 60 per cent equity stake in the Iran Chemical Development Corporation, the Japanese company which owns a 50 per cent stake in the project. Press reports have suggested that all but Y50bn of this amount is theoretically recoverable from the insurance fund but actual reserves available for meeting claims on the fund however are believed to fall far short of Y150bn.

The Bandar Khomeini problem entered a new phase in February when payments began to fall due on the principle of loans extended by Japanese banks and the Japanese Government to the Iran Japan Petrochemical Company, the joint venture company in charge of the project. IJPC is believed to have made some payments on schedule but to have defaulted on others forcing the Japanese participants in the project to meet its obligations.

Marginal increase for Kirin Brewery

By Yoko Shibata in Tokyo

KIRIN BREWERY, Japan's largest brewery with a market share of 62.7 per cent, lifted its unconsolidated operating profits by 6.4 per cent to Y45bn ($184m) in the year ended January 31.

Net profits rose by 5.7 per cent to Y20.13bn on unconsolidated sales of Y984.8bn ($4.02bn), up 15.1 per cent over the previous year. Profits per share were Y25.24, against Y29.54.

Beer sales volume increased by 3 per cent to 2.89m kilolitres—compared with the industry's growth of 2.3 per cent—because of Kirin's marketing of draught beer in two litre and three litre aluminium containers and its introduction of light beer.

Higher selling prices following the beer tax rise in May lifted the value of beer sales by 15.5 per cent to contribute 92.7 per cent of total sales. The company raised its beer market share to 62.7 per cent from 62.2 per cent in the previous year.

The company gained full control of the Australian malt company KBB Malting in the year and bought Salem Coca Cola of the U.S. through its half-owned U.S. company KW Incorporated. Kirin will acquire total ownership of KW in September.

Costs grew faster last year than revenues—by 15.5 per cent against 15.1 per cent. This, however, was covered by an improvement in the company's financial balances. It reported net financial income for the first time of Y2.4bn, against the previous year's net deficit of Y61m because of funds provided by a shares issue in July.

The company is not expecting a rapid recovery in consumer spending in the current year but sale volumes of beer and soft drinks are projected to grow by 4 per cent and 6 per cent respectively. Full year unconsolidated sales are targeted at Y1,064bn, up 8 per cent, and operating profits are expected to increase by 22 per cent to Y46bn.

Net profits are forecast to drop by 5.6 per cent to Y19bn, however, as a result of a Y1.6bn amortisation following the introduction of a new pension system.

Henderson Land on target

By Robert Cottrell in Hong Kong

HENDERSON LAND Development, the publicly-quoted arm of the Henderson Development group, one of Hong Kong's largest property developers, has reported an interim profit after tax and minority interests of HK$317.32m (US$54.7m). It said it is on course for the HK$600m full-year profit, which was forecast when the company was floated last July.

The half-year to December also saw an extraordinary gain of HK$48m. Earnings per fully-paid ordinary share were 27 cents. A first interim dividend of 12 cents per fully-paid share and 3 cents per partly-paid share was distributed in December. The board now proposes a second interim dividend, in lieu of a final of not less than 20 cents per fully paid share and 12.5 cents for partly paid shares, to be announced in June.

The board said that with HK$110m of retained profits brought forward, total attributable profits at the year-end will top HK$600m. Major developments are said to be progressing as planned, while the group says its forward property sales have held an acceptable level since its sites are for the most part well-located.

The interim statement also points to a high level of group liquidity available for new site and investment opportunities.

Japan delays start of foreign CP and CD sales

BY RICHARD C. HANSON IN TOKYO

THE START of sales of foreign-issued commercial paper (CP) and certificates of deposit (CD) in Japan apparently will be delayed beyond an original April 1 target date. The delay is believed to partly reflect official concern over the impact of additional capital outflows on the currently weak yen.

The Ministry of Finance has yet to inform banks and securities houses of guidelines for CP and CD sales, which will be made possible by a change in the law on April 1. Authorities have wrestled for several months with the question of how free such transactions should be. Though officials deny a direct link to foreign exchange factors, private industry observers believe the yen's recent weakness to be a major reason for delaying a final decision.

The Ministry has also remained vague over when sales in Japan of zero coupon Eurobonds will be allowed to restart. Earlier this month, the Government told underwriters to stop after Japanese investors rushed to buy $780m worth of the bonds in February alone.

Concern over the exchange rate is certainly not the only factor behind the Ministry's hesitation on allowing CP and zero coupon bond sales.

Officials, however, are clearly frustrated by the current weakness of the yen (and perhaps even more so by foreign criticism of its yen policies). Finance Ministry officials place the blame directly on high U.S. interest rates, which have attracted Japanese investors and siphoned off overseas capital which a year ago was still pouring into Japan. The reaction to the apparently widely held view in Europe and the U.S. that Japanese policies, especially on interest rates, are aimed at purposely weakening the yen (to promote exports) is becoming increasingly angry.

Hong Leong completes Grindlays acquisitions

HONG KONG—Hong Leong Overseas, the Singapore-based financial group has completed the acquisition of Grindlays Dao Heng Bank and Grindlays Finance from Grindlays Bank of the UK, Reuter reports.

Under the agreement announced last month the price was US$185m. Grindlays Bank said last month the sale of the Hong Kong retail banking and finance subsidiaries will produce a £35m surplus over December 31 book value.

Extraordinary gains boost China Underwriters

BY OUR HONG KONG CORRESPONDENT

CHINA UNDERWRITERS Life and General Insurance, a Carrian group subsidiary, reports that after tax recurring profits fell by 43 per cent in 1981 to HK$4.68m (US$806,000) from HK$8.3m in 1980. But an extraordinary gain on the sale of certain non-insurance investment, principally interests in Sealion Hotels and Lee Sang Estates, boosted the final 1981 results by HK$215.9m to HK$220.6m.

The board recommended a final dividend of 3.5 cents per share, plus a special cash dividend of HK$2.965 per share. The final dividend follows an interim of 2.5 cents and special interim of 5 cents. Adjusting for October's bonus issue, the year's ordinary dividends total 6 cents per share, plus HK$3.015 in special dividends. The previous year saw an adjusted 3 cents per share dividend, with no special distribution.

The board has also proposed a one-for-one scrip issue, though shares recently issued to Carrian Holdings for property interests will not qualify for the scrip or final dividends.

Additional extraordinary profits from the sales of Lee Sang Estates will be realised in 1982. The China Underwriters board says its policy is to increase recurrent income from stable investments, and it expects to maintain the ordinary dividend in 1982.

Higher profits and scrip issue from OCBC

By Georgie Lee in Singapore

OVERSEAS CHINESE Banking Corporation (OCBC), one of the big four Singapore banks, has reported a 28.6 per cent rise in group post-tax profit to S$121.26 (U.S.$57m) for the year ended December. It is to make a two-for-five scrip issue.

The board has proposed final gross dividend of 8 per cent and a bonus gross dividend also of 8 per cent. This brings the total dividend payment for the year to 21 per cent on its existing capital of S$294.1m already enlarged last year by a one-for-five scrip issue and a one-for-five rights issue.

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on March 23rd 1982, U.S. $ 54.04

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	23 3 82	16 3 82	AVERAGE YIELD	23 3 82	16 3 82
DM Bonds	93.71	93.02	DM Bonds	9.493	9.627
HFL Bonds & Notes	98.05	97.60	HFL Bonds & Notes	10.342	10.423
U.S. $ Strt. Bonds	87.83	87.62	U.S. $ Strt. Bonds	14.200	14.207
Can. Dollar Bonds	90.05	90.11	Can. Dollar Bonds	15.185	15.162

THE LONG-TERM CREDIT BANK OF JAPAN FINANCE N.V.

U.S.$25,000,000 Guaranteed Floating Rate Notes due 1988

For the six months 22nd March 1982 to 22nd September 1982 the Notes will carry an interest rate of 15 7/16% per annum with a coupon amount of U.S.$394.51.

Bankers Trust Company, Singapore
Agent Bank

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Paul Upchurch, photographed at school just before his 8th birthday

INTERNATIONAL

Board changes at Alexander & Alexander

● ALEXANDER AND ALEXANDER SERVICES INC has made changes in the composition of the boards of the holding company and its operating subsidiaries. Mr John A. Bogardus Jr, president of A and A Services, was named chairman and continues as chief executive officer. Former chairman Mr Kenneth W. S. Soubry became vice-chairman and continues as chairman of the Alexander and Alexander International Inc subsidiary. Mr Tinsley H. Irvin, executive vice-president, was named president and remains as chief operating officer. He also continues as president and chief executive officer of Alexander and Alexander Inc, the firm's North American operating subsidiary.

Mr Kenneth V. Grob, chairman of the company's Alexander Howden Group subsidiary based in London, joins the board of A and A Services, together with Mr Michael J. A. Glover, deputy chairman and chief executive officer of Alexander Howden.

The board of Alexander Howden also was restructured. Howden senior executives on this board are Mr Ian H. Dean, Mr Ronald A. Iles, Mr William N. Irby, Mr Charles A. Limond, Mr Allan J. Page, Mr Cordon R. Pope and Mr John C. Varney. Joining the board from A and A Services are Mr Bogardus and senior vice-president Mr Richard E. Lynn.

Senior vice-presidents Mr John C. Sienkiewicz, Mr George B. Clark, Mr Paul Gregory and Mr Hugo J. Standing have been elected to the board of A and A International. Mr Sienkiewicz became president and chief executive officer of this newly formed subsidiary and the other three executives constitute A and A Inc's new management advisory committee. Also joining A and A International's board from Alexander Howden are Mr Ronald C. Comery, as vice-chairman and Mr Iles.

Senior vice-presidents Mr Joseph J. Stahl II and Mr John W. Tucker will serve on the board of A and A Inc. Mr Stahl remains head of the company's expanding multi-faceted human resource management group. Mr Tucker, former president of R. B. Jones Corporation prior to its merger with A and A, continues as director of the expanded mid-central region. Another former A and A services director, senior vice-president Mr Henry Batholomay III requested a reduction in his responsibilities effective this past January 1 and chose not to stand for election to a director post.

All other board positions of A and A Services remain unchanged.

● FRANK B. HALL has appointed Mr Stanley Martinez to the newly-created post of senior vice president-finance. He will continue as chief financial officer.

● Mr Ernest J. Szilagyi has been elected vice-president planning for THE SINGER COMPANY, Stamford, Conn. He was formerly assistant corporate controller for financial planning and analysis.

● Mr Kenneth M. Leffler has been appointed an officer, as manager, in the technical services department of the FEDERAL RESERVE BANK OF NEW YORK.

● IHG INTERNATIONAL HOSPITALS GROUP has appointed Mr Roger (Bob) Wilcox to the post of marketing director, Middle East, based in Riyadh. He has spent the past four years in Abu Dhabi with the Allied Medical Group as chief executive at the Al Corniche Hospital.

● Mr William A. Bloch Jr. has been appointed vice-president, field operations, by CU COMMERCIAL LINES INC., Boston, a division of Commercial Union Insurance Companies.

UK

Commercial Union group actuary

Mr A. de Hullu will retire as COMMERCIAL UNION ASSURANCE general manager (life) on April 19. He remains a non-executive director of Delta Lloyd Verzekeringsgroep NV. Mr de Hullu's executive duties will be assumed by Mr J. H. Webb who will be responsible for actuarial and life matters with the title of group actuary.

★

Mr Richard A. Freeman has been appointed an assistant director of CHARTERHOUSE JAPHET. Mr Freeman, a solicitor, was secretary to the Panel on Takeovers and Mergers from October 1979 to January 1982. Before his secondment to the Panel he was a manager of Hambros Bank and has had particular experience of international capital issues in the UK, France and Japan.

★

Mr Francis Thyne will be taking over the managing directorship on April 1, of Wm THYNE from Mr Ken J. H. O'Brien who is retiring. Mr Thyne is at present deputy managing director and sales director and will be relinquishing these appointments. Mr W. S. (Bill) Sinclair becomes sales director.

★

A new director, Professor G. E. Adams, has been appointed to the MEDICAL RESEARCH COUNCIL'S radiobiology Unit at Harwell; he will take up his post in October on the retirement of the present director, Dr J. Vennart. The unit studies the health risks of radiation exposure. Professor Adams is at present head of the physics division at the Institute of Cancer Research, Sutton, and professor of physics as applied to medicine in the University of London.

★

Mr Jack Storey has been appointed director and general manager of FAIREY GRAPHITE MACHINING, a company recently formed by Fairey Engineering to undertake the machining of graphite for Heysham and Torness advanced gas cooled nuclear power stations. He was previously with the machine tool division of Tube Investments.

★

Mr George F. Gray, who will be 66 in May, has decided for personal reasons, to retire from the board of the THE BRITISH ELECTRIC TRACTION and from his other appointments in the BET Group, at the end of this month, instead of later in the year as had previously been intended.

★

Mr Ford Fraker has been appointed assistant general manager in charge of the general banking division of SAUDI INTERNATIONAL BANK.

★

Mr Alan Bew has joined the board of PHOTO-SCAN SALES as technical director. He was managing director of Newall Electronics of Peterborough.

★

Lord Gregson and Mr Ronald Halstead have been appointed as part-time members of the BRITISH STEEL CORPORATION for further terms of three years.

★

The Education Secretary has appointed Lord Jellicoe as chairman of the MEDICAL RESEARCH COUNCIL for a period of four years from April. He succeeds Lord Shepherd, who has been chairman since March 1978.

★

Mr Peter White is joining the ALLIANCE BUILDING SOCIETY as its general manager (finance) on April 1. He was divisional manager (finance) of the Abbey National Building Society.

★

EXCESS INSURANCE GROUP has made the following changes: Mr Michael Galbraith is appointed UK creditor line of business manager UK division and will be responsible for underwriting, production and administration of the UK creditor account.

★

ROTADO DOMESTIC APPLIANCES has appointed Mr John Cape as managing director. He was managing director of Ronson International.

★

Mr Marshall Bennington has been appointed sales director of CONDER NORTHERN, Darlington.

★

Mr Martin O'Regan is resigning from AIR EUROPE and the board of INTASUN LEISURE GROUP. Mr Errol Cossey, joint founder of the airline, assumes responsibility for all day-to-day operations in addition to his role as commercial director.

★

Mr Robert Carr, deputy chairman of Granada Group has appointed Mr Alewyn Birch his successor as chairman of GRANADA PUBLISHING. Mr Carr will continue as a director of Granada Publishing and Mr Birch will continue as managing director.

NOTICE TO HOLDERS OF

TOSHIBA CORPORATION
(FORMERLY TOKYO SHIBAURA ELECTRIC CO., LTD.)

(TOKYO SHIBAURA DENKI KABUSHIKI KAISHA)

6¾% CONVERTIBLE BONDS DUE 1990

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS

NOTICE IS HEREBY GIVEN to the holders of the 6¾% Convertible Bonds Due 1990 (the "Bonds") of Toshiba Corporation (formerly Tokyo Shibaura Electric Co., Ltd.), a Japanese Corporation (the "Company") that pursuant to Condition 6(B) of the Bonds issued under the Trust Deed, dated as of July 30, 1975, between the Company and The Bank of Tokyo Trust Company as Trustee (the "Trustee") the Company has decided to redeem on April 15, 1982 all Bonds then outstanding in accordance with such Condition 6(B).

The price at which the Bonds will be redeemed will be 103½% of the principal amount thereof and will be U.S. $1,035 per U.S. $1,000 principal amount. In addition, the Company will pay interest accruing from April 1, 1982 through April 15, 1982.

The payment of the redemption price will be made on and after April 15, 1982 upon presentation and surrender of the Bonds together with all coupons appertaining thereto maturing after April 15, 1982 at any of the following principal offices of the Paying Agents:

The Bank of Tokyo Trust Company (New York)
Manufacturers Hanover Trust Company (New York)
Arab Finance Corporation S.A.L. (Beirut)
The Commercial Bank of Kuwait S.A.K. (Kuwait)
Union Bank of Switzerland (Zurich)
Banque Generale du Luxembourg (Luxembourg)
The Mitsui Bank, Ltd. (London)
Banque de l'Union Europeenne (Paris)

All payments will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts at the office specified above in New York City, or, at the option of the holders, in like coin or currency, at the other offices specified above, by check drawn on, or transfer to a United States dollar account maintained by the payee with, a bank in New York City, subject to any applicable fiscal and other laws and regulations, all in accordance with the Terms and Conditions of the Bonds.

FROM AND AFTER APRIL 15, 1982 INTEREST ON THE BONDS WILL CEASE TO ACCRUE AND THE RIGHT TO CONVERT THE BONDS INTO SHARES OF COMMON STOCK OF THE COMPANY WILL TERMINATE AT THE CLOSE OF BUSINESS ON APRIL 15, 1982.

The Bondholders' attention is called to the fact that in accordance with Condition 5 of the Bonds they may convert their Bonds into shares of common stock of the Company at the conversion price (with the Bonds taken at their principal amount translated into Japanese yen at the rate of Yen 295.80 equals U.S. Dollar 1) of Yen 124.90 per share. Each Bondholder who wishes to convert his Bonds must deposit his Bonds, together with all unmatured coupons, with any of the offices of Arab Finance Corporation S.A.L. (Beirut) and Banque Generale du Luxembourg (Luxembourg) as the Conversion Agents before the close of business on April 15, 1982, accompanied by a written notice to covert, the form of which notice is available from any of the said Conversion Agents.

For the information of the Bondholders, the reported closing prices of the shares of common stock of the Company on the Tokyo Stock Exchange during the period from December 16, 1981 to February 18, 1982 ranged from a high of Yen 396 to a low of Yen 356 per share. The reported closing price of such shares on the Tokyo Stock Exchange on February 16, 1982 was Yen 378 per share.

TOSHIBA CORPORATION
By: The Bank of Tokyo Trust Company as Trustee

Dated: March 25, 1982

Westland/Utrecht end of the year Statement

for the year ended 31st December 1981

Amsterdam, 17th March 1982

The steady deterioration in the situation on the property market, a result both of high interest rates and of the poor economic prospects, had a severe effect on our company in 1981.

Our loans division made an operating profit of f 110,7 millions in 1981 (as compared with a profit of f 108,4 million last year), whilst the property division incurred a loss of f 93,4 million over the same period (in 1980 there was a loss of f 51,9 million).
The operating profit of the Group was thus f 17,3 million (as against f 54,5 million in 1980).

Because of the state of the property market, we raised the allocation made in the loans division to the provision for general contingencies to f 50 million which is f 42 million above the allocation in 1980. We also increased the net provision already existing in the property division for unoccupied property by f 10 million to f 23 million.
We further included a figure of f 180 million for write-offs in the property sector. Following the compensation for corporation tax of f 80 million, the figures for 1981 show a loss of f 122,7 million as against a profit of f 20,5 million in 1980.
Resolutions will be moved at the general meeting of shareholders to set off this loss against the reserves and not pay any dividend for 1981.

The breakdown for the loss f 122,7 million is as follows (the 1980 figures are also given for purposes of comparison):

(in millions of guilders)	1981	1980
Operating results	17,3	54,5
Write-offs and provisions in respect of the property sector	-/- 170	-/- 20
Allocation to provision for general contingencies	-/- 50	-/- 8
Release of allocation to provision for tax	+ 80	+ 6
	-/- 140,0	-/- 34,0
Loss/profit	-/- 122,7	20,5

The company made an operating profit of f 3,9 million in the last three months of 1981, compared with an operating profit of f 11,4 million in the same period in 1980.

The following table shows the operating results on a quarterly basis (the figures are rounded off):

(in millions of guilders)	1981	1980
first quarter	7.0	18.7
second quarter	3.2	13.1
third quarter	3.2	11.3
fourth quarter	3.9	11.4
operating profit	17.3	54.5

Loans division
In 1981 we arranged 5,600 mortgage loans (this figure also includes increases on existing loans) to a total value of f 663 million, compared with 13,300 loans with a total value of f 1,806 million in 1980. [illegible]

Property division
[illegible]

solely in respect of existing commitments and amounted to a value of f 113 million (as against f 272 million in 1980), including our share in associated companies' activities.
We sold 840 dwellings in 1981. This figure includes 112 private sector dwellings from the existing stock of dwellings which are either finished or virtually completed (as compared with 408 dwellings in 1980, including 108 dwellings in the private sector).
This stock of dwellings ready for occupation stood at 1,337 dwellings at 31st december 1981 and had a book value, after write-offs of f 205 million.
Of these dwellings, 420 have been let on a temporary basis. At 31st december 1980 the stock stood at 1,074 dwellings, including 124 temporarily let, with a total book value of f 237 million.
Since the balance sheet date of the stock of completed dwellings and dwellings under construction, 976 dwellings of which 886 are completed, have been sold, including ca 860 to the Algemeen Burgerlijk Pensioenfonds (Dutch Civil Service Pension Fund). In establishing the size of the write-off per 31st December 1981 this transaction was taken into account.
At the moment there is a stock of 471 completed dwellings, as well as 65 dwellings under construction.
In the commercial property sector a start was made on the construction of office premises with a floor space of 24,000 m².
The intention is to use part of this building to house our new head office.

Group financing
In 1981 the net level of borrowings on the money and capital market fell by f 1,579 million (as compared with an increase of f 1,162 million in 1980), bringing the total value of these funds on f 12,849 million.
Our funds were also augmented in the year under review by the sale of mortgages to a value of f 1,292 million.

Reorganisation
Satisfactory progress is being made in the reorganisation of our company to take account of the changed circumstances. The discussions held with the works council and the trade unions bore fruit at the beginning of January 1982 when the reorganisation measures came into force and the social plan, designed to operate in conjuction with the reorganisation scheme was introduced. 1981 saw a decrease of 153 in the number of employees, bringing the total number down to 803 (including the 35 people employed by the Frankfurter Bodenkreditbank). A further 26 employees have left the company since 1st January 1982, so that at the time of writing, there are 777 people on the staff. A further 18 employees have expressed their intention to leave the company.

Prospects
The motivation behind our policies in 1981 has in part been the expectation that, in a few years time, the continuing increase in production costs, coupled with a gradual decrease in the stock of new dwellings will lead to the property market recovering from the current malaise. [illegible]

[illegible]

Westland/Utrecht Hypotheekbank N.V.

N.B. The figures are given subject to the approval of the General Meeting of Shareholders to be held on 27 April this year.

*) With effect from 1st January 1981, the figures for the Frankfurter Bodenkreditbank A.G. have been incorporated in the consolidated figures. [illegible]

Consolidated Profit and Loss Account (in f. 000)

	1980	31/12/1980	1981	31/12/1981
Revenue from mortgages		[illegible]		[illegible]
Revenue from construction loans and other advances		[illegible]		[illegible]
Revenue from building projects		[illegible]		[illegible]
Gross revenue		[illegible]		[illegible]
Total cost of borrowed funds		[illegible]		[illegible]
General expenses		[illegible]		[illegible]
Depreciation of property		[illegible]		[illegible]
Group costs		[illegible]		[illegible]
Operating profit		[illegible]		[illegible]
Provision for general contingencies		[illegible]		[illegible]
Provision for unoccupied property		[illegible]		[illegible]
Write-off property		[illegible]		[illegible]
Taxation		[illegible]		[illegible]
Net results		[illegible]		[illegible]

Key figures of Consolidated Balance sheet (in f. 000)

	31/12/1980	31/12/1981
Share capital	[illegible]	[illegible]
Borrowed funds	[illegible]	[illegible]
Mortgages retentions	[illegible]	[illegible]
Construction loans and other advances	[illegible]	[illegible]
Building projects at cost	[illegible]	[illegible]
Property managed	[illegible]	[illegible]
Associated companies	[illegible]	[illegible]
Balance sheet total	[illegible]	[illegible]

Copies of the end of the year statement are available on request at our head office in Amsterdam, Sarphatistraat 1, 1017 WS Amsterdam, The Netherlands, [illegible] or J. Henry Schroder Wagg & Co., 120 Cheapside EC2V 6DS London, [illegible]

Westland/Utrecht Hypotheekbank nv

Easier early Wall St tone

PROFIT-TAKING and portfolio switching yesterday morning took the steam out of the recent good rally on Wall Street, the market turning slightly easier in fairly active dealings.

The Dow Jones Industrial Average, which had recovered 21 points in the past two days, was off 1.00 at 824.87 at 1 pm. The NYSE All Common Index receded 21 cents to $65.09, although declines held only a small lead over rises. Turnover decreased to 36.5m shares from Tuesday's heavy 1 pm level of 53.03m.

Analysts said investors were also concerned by U.S. Treasury Secretary Regan's statement that the fiscal 1983 Federal budget deficit would probably be greater than the $91.5bn forecast by the Administration.

President Reagan's statement that he will not change the scheduled tax cuts also weighed on the market. Investors are concerned that the tax cuts will make it even harder for the Administration to hold the Budget deficit down.

Blue Chip stocks were the most active, signalling heavy institutional trading as portfolio managers adjusted their holdings prior to issuing end of the quarter reports.

On the actives list, General Motors lost ½ to $41, Exxon was unchanged at $28½, General Foods rose ¼ to $33½ and ATT added ⅛ at $56⅝.

Technology stocks, currently an unpopular group among institutions, were generally lower. IBM shed ½ to $59, Digital Equipment 1⅛ to $78½, Honeywell 1 to $67½, Teledyne 1⅛ to $116½ and Data General 1 to $31½.

Scientific-Atlanta gained 1⅞ to $19 in heavy trading. First Boston issued a buy recommendation on the stock after it fell 3⅛ on Tuesday.

THE AMERICAN SE Market Value Index declined 1.57 to 260.58 at 1 pm. Volume 2.50m shares.

Canada

Most sectors displayed an easier inclination in fairly active early trading. The Toronto Composite Index retreated 8.0 to 1,621.4 at noon. Oil and Gas lost 50.1 to 2,618.5 and Golds 19.1 to 2,253.4.

Tokyo

The market sharply extended its recent rally in a reasonable turnover yesterday. Sentiment was boosted by the further recovery on Wall Street overnight, the downtrend in U.S. interest rates and a modest yen recovery against the U.S. dollar.

The Nikkei-Dow Jones Average, after an improvement of 32 points on Monday, advanced 36.81 to 7,194.31. The Tokyo SE index picked up 5.27 more to 535.84, while volume amounted to 300m shares (240m).

Blue Chips and Populars mostly gained ground, although investors remained nervous because of continuing fears of intensified trade friction with Western trading nations. Fuji Photo moved ahead Y40 to Y1,310, Toyota Motor Y11 to Y910, Hitachi Y9 to Y559, Sony Y160 to Y3,300, Mitsubishi Y26 to Y595, Tokio Marine Y20 to Y480, Mitsubishi Electric Y9 to Y255, Kyoto Ceramic Y60 to Y3,350 and Canon Y10 to Y760.

Housebuilders and Property issues rose sharply in anticipation of a reduction in housing loan rates. Sekisui Prefab advanced Y25 to Y678, while among strengthening Real Estate issues, Mitsubishi Real Estate climbed Y22 to Y474 and Heiwa Real Estate Y9 to Y558.

Some Oil shares performed particularly well, Teikoku jumping Y68 to Y878 and Nippon Oil Y40 to Y1,090.

Sumitomo Metal Mining, the centre of speculative interest of late on a promising gold discovery, rebounded from an initial decline to close Y20 higher on the day at Y710. This helped other speculatives to rise.

Australia

Markets sprang to life yesterday after their recent lethargic performance, and had their best session so far this year. Stronger Wall Street and London markets overnight and declining U.S. interest rates bolstered sentiment.

The rallying Gold Bullion price also helped the Mining sector to rise, while Oils were boosted by an encouraging oil well report and a belief that oil prices would not fall further.

The All Ordinaries index recouped 7.5 at 478.1, while the Oil and Gas index recovered 14.9 to 432.1. Metals and Minerals 9.6 to 341.9 and All Industrial 3.9 to 625.8.

A 640 barrels a day oil flow was reported from the Jackson South No. 1 well in the Cooper Basin. Brokers said institutions had been picking up Energy Resource stocks from the opening, and the Jackson development gave an added boost to the rising market.

Santos, with a 40 per cent interest in the oil well, said the test came from the Jurassic Westbourne formation and indicated a new oil field. Santos put on 20 cents to A$4.58, while CSR, which has a 32 per cent interest in the Jackson well through owning Delhi Oil, rose 16 cents to A$3.28. Claremont, with 10 per cent, was up 16 cents to 96 cents as 560,000 shares changed hands in Sydney, and 8 per cent interest holder Vamgas gained 10 cents to A$5.00.

BHP, also with oil interests, moved up 22 cents to A$7.66, while Alliance Oil added 8 cents at A$1.14.

In the Minings group, Central Norseman Gold improved 30 cents to A$3.80, Western Mining 12 cents to A$3.85, MIM 11 cents to A$2.75 and CRA 8 cents to A$2.68.

Germany

Shares mainly turned easier in light trading in what brokers termed mainly a technical reaction to the recent advancing trend. The Commerzbank index, which on Monday closed at its best level since last August, slipped 3.1 to 720.8.

Foreign investors were said to be holding the sidelines yesterday on concern about whether the West German export boom to Opec countries could be sustained.

In Construction shares, reports that Nigeria had virtually halted all imports depressed Bilfinger to DM 345, down DM 5. Hochtief shed DM 3 to DM 406, although Holzmann was unchanged at DM 433.

Banks were broadly lower with brokers speculating that shares came under pressure as investors nervously eased positions in anticipation of the presentations of 1981 results by Commerzbank and Dresdner Bank early next week.

Paris

Bourse prices were inclined to pick up in moderate activity. Analysts said there were a number of reasons why the market appeared to have recovered its poise after having eased in recent days. First, the start of a new monthly trading Account on the forward market yesterday meant that investors were taking advantage of one month's free credit. The relative calm on the foreign exchange market and the French franc's slight recovery after the buffeting it received in the past few days were also positive factors, they added, as was the further good performance on Wall Street on Tuesday.

In addition, the deletion of 21 stocks of nationalised Banks and industrial corporations as from Wednesday means that the same amount of cash is chasing fewer stocks.

Johannesburg

Mixed and mainly narrow movements were the order of the day throughout the market in restricted trading, with most operators withdrawn, awaiting yesterday's South African Budget.

Closing prices for North America were not available for this edition.

Indices

NEW YORK —DOW JONES

	Mar. 23	Mar. 22	Mar. 19	Mar. 18	Mar. 17	Mar. 16	1981-82 High	1981-82 Low	Since Cmpil't'n High	Since Cmpil't'n Low
♦Industr'ls	826.67	819.54	805.65	806.27	795.65	798.33	1024.05 (27/4)	795.47 (8/3/82)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	(u)	58.35	58.51	58.51	58.40	58.57	65.78 (15/1/81)	54.99 (1/10)	—	—
Transport.	339.34	338.75	329.16	329.43	325.38	324.75	447.38 (16/4)	314.38 (8/3/82)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	108.49	107.68	106.56	105.95	105.20	105.56	117.81 (5/1/81)	101.28 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	67,130	57,610	46,260	54,270	48,900	58,249	—	—	—	—

♦Day's high 830.67 low 817.64

Ind. div. yield %	Mar. 19	Mar. 12	Mar. 5	Year ago (approx)
	6.92	6.99	6.90	5.58

STANDARD AND POORS

	Mar. 23	Mar. 22	Mar. 19	Mar. 18	Mar. 17	Mar. 16	1981-82 High	1981-82 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	126.07	125.27	122.74	122.45	121.02	121.26	157.02 (8/1/81)	118.41 (8/3/82)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	113.56	116.56	110.61	110.30	108.88	109.28	138.12 (6/1/81)	107.34 (8/3/82)	140.52 (28/11/80)	4.402 (1/6/32)

	Mar. 17	Mar. 10	Mar. 3	Year ago (approx)
Ind. div. yield %	6.08	6.09	6.00	4.54
Ind. P/E Ratio	7.37	7.57	7.42	9.45
Long Gov. Bond yield	13.14	13.15	13.01	11.91

NY. S.E. ALL COMMON

Mar. 23	Mar. 22	Mar. 19	Mar. 18	1981-82 High	1981-82 Low
65.30	64.86	63.62	63.46	79.14 (8/1/81)	62.03 (8/3/82)

Rises and Falls

	Mar. 23	Mar. 22	Mar. 19
Issues Traded	1,902	1,865	1,845
Rises	971	1,199	840
Falls	528	301	569
Unchanged	403	365	436
New Highs	32	30	10
New Lows	19	19	43

MONTREAL

	Mar. 23	Mar. 22	Mar. 19	Mar. 18	1981-82 High	1981-82 Low
Industrials	289.32	284.55	278.00	274.61	409.58 (27/5)	270.45 (16/3/82)
Combined	273.94	272.35	266.41	263.58	375.28 (13/8)	253.08 (15/3/82)
TORONTO Composite	1629.4	1622.7	1584.0	1572.0	2390.55 (16/7)	1537.6 (15/3/82)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Dmond. Shmrck	3,244,900	20½	+ ½	Marshall Field	714,800	28¾	− ¼
Tandycrafts	1,165,700	13	+1¾	Sony	610,900	13¼	+ ½
IBM	781,500	59½	+ ⅛	Sci-Atlanta	603,900	17⅝	−3⅛
Archer-Daniel	759,000	16⅞	+ ⅞	Tandy	590,100	31⅞	+ ⅛
General Motors	722,700	41½	+ ½	Exxon	573,500	28¾	− ⅛

	Mar. 24	Mar. 23	Mar. 22	Mar. 19	1981-82 High	1981-82 Low
AUSTRALIA All Ord. (1/1/80)	478.1	470.5	470.1	472.2	767.3 (8/4)	455.6 (10/3/82)
Metal & Minls. (1/1/80)	341.9	332.3	332.4	334.5	735.2 (7/1/81)	322.4 (10/3/82)
AUSTRIA Credit Aktien (2/1/62)	55.49	55.49	55.45	55.82	68.43 (5/1/81)	55.45 (22/3/82)
BELGIUM Belgian SE (31/12/63)	95.64	95.02	94.70	94.01	101.59 25/2/82	69.55 (16/6)
DENMARK Copenhagen SE (1/1/73)	121.55	121.47	122.28	122.06	129.22 (22/2/82)	95.98 (2/1/81)
FRANCE CAC General (29/12/61)	98.0	98.5	98.7	98.90	112.5 (17/3/81)	77.3 (15/6)
Ind Tendance (31/12/81)	114.5	115.1	116.5	115.60	124.9 16/2/82	97.3 (4/1/82)
GERMANY FAZ-Aktien (31/12/58)	235.40	237.54	236.74	235.86	243.47 (6/7)	215.89 (8/2/81)
Commerzbank(Dec 1953)	720.8	723.9	717.1	712.20	739.0 (2/7)	668.4 (16/2/81)
HOLLAND ANP-CBS General (1970)	88.8	88.4	88.9	85.90	86.8 (28/3)	78.5 (28/9)
ANP-CBS Indust (1970)	71.5	70.4	69.2	68.80	76.4 (22/6)	61.4 (22/12)
HONG KONG Hang Seng Bank (31/7/64)	1225.58	1221.18	1225.19	1207.21	1810.20 (17/7)	1115.77 (5/10)
ITALY Banca Comm Ital.(1972)	209.46	206.59	210.16	212.58	292.05 (3/6)	186.44 (24/7)
JAPAN** Dow Average (16/5/49)	7194.31	7097.50	(c)	7058.58	8019.14 (17/8)	6869.55 (17/3/82)
Tokyo New SE (4/1/68)	535.84	530.57	(c)	528.82	603.92 (17/8)	495.79 (5/1/81)
NORWAY Oslo SE (1/1/72)	114.28	114.86	115.94	114.04	146.72 (5/6)	110.54 (5/6)
SINGAPORE Straits Times (1966)	726.10	730.82	718.71	711.39	976.26 (28/8)	687.48 (8/3/82)
SOUTH AFRICA Gold (1958)	(u)	471.7	459.8	(u)	787.6 (7/1/81)	411.2 (8/3/82)
Industrial (1958)	(u)	575.9	575.9	(u)	711.7 (8/1/82)	557.2 (5/2/81)
SPAIN Madrid SE (30/12/81)	101.08	101.81	(c)	(c)	107.45 (8/2/82)	98.17 (5/1/82)
SWEDEN Jacobson & P. (1/1/58)	606.56	606.05	606.92	609.92	660.31 (10/8)	404.17 (29/1/81)
SWITZERLAND Swiss Bank Cpn.(31/12/58)	256.2	255.9	250.0	246.8	304.2 (2/4)	242.5 (11/3/82)
WORLD Capital Intl. (1/1/70)	—	152.8	151.9	150.6	162.6 (6/1/81)	129.1 (17/3/82)

(**) Sat Mar 20: Japan Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

COMMODITIES AND AGRICULTURE

U.S. doubts on Japan grain aid

By Nancy Dunne in Washington

HIGH RANKING members of the Japanese government are considering an unexpected food aid package. But U.S. officials have doubts about the plan.

Under pressure from Washington to remedy the current U.S.-Japan trade balance and from Seoul for a $6bn economic development loan, Tokyo is studying a plan to buy 2m tonnes of American grain worth nearly $400m to pass on to South Korea.

The scheme reportedly supported by the Japanese foreign minister, in Washington this week for talks, and agriculture minister but opposed by the Finance Minister, is being eyed dubiously by U.S. grain officials. They want control of the American surplus and fear that such a programme would be disruptive of existing grain patterns.

South Korea is already a U.S. grains customer, eligible for 36-month credit financing at prevailing interest rates. Last year it purchased 4.5m tonnes, paying for 70 per cent of it with cash.

The scheme would need Korean approval. The Korean embassy here reacted angrily to the proposal. "We do not want donations," he said. "We just want a loan."

U.S. officials have been urging Japan to establish a grains stockpile to be used as food aid for developing nations. The Japanese embassy here said government financing for such a stockpile would be harder to obtain than purchase money for the proposed Korean gift.

Not to be outdone in devising surprising schemes, officials of the Reagan Administration have suggested that the Japanese purchase American rice. Reportedly Mr John Block, Secretary of Agriculture, attached the suggestion to the end of an American demand that Japan relax import controls on beef citrus products and fruit juices.

Japan is as swamped with surplus rice as the U.S. is with surplus grain. The American suggestion is seen as another scheme urging that Japan finance food aid for developing countries with food shortages.

Mr John Block said no date has been set for spring consultations under the sixth year of the U.S.-USSR grain agreement.

Speaking to reporters after addressing the National Association of Wheat Growers, Mr Block said the main purpose of the consultations is normally to offer the USSR more grain.

Reuter

UN Fund plan attacked

BY BRIJ KHINDARIA IN GENEVA

MANAGERS OF existing international commodity organisations for rubber, sugar, tin and cocoa have expressed dissatisfaction in Geneva with the way in which a $750m Common Fund will be linked to their organisations.

At a meeting called by the UN Conference on Trade and Development, top managers from the four organisations said they were not convinced that the fund would be able to provide as much help as they might need.

A sum of $400m has been earmarked under an accord creating the fund for financing of commercial operations by international commodity agreements. In principle, the fund would mainly provide guarantees for money raised by the separate agreements on money markets to finance buffer stock needs. In that way, the $400m reserve in the fund's first account is expected to help raise loans of up to $1.6bn.

The first account will be used to meet the needs of as many commodity agreements as possible out of a total of 18 planned *under an UNCTAD programme.* Onl yfour agreements including reserve stock provisions requiring financial help now exist.

The main element being discussed in Geneva is the kind of link each commodity agreement should have with the fund. The four managers have said that the mechanisms so far proposed would erode their autonomy and make them clients of the *fund. As a result, their separate organisations would lose some of their independent decision taking authority.*

Since the main burden of finding money now falls on the commodity organisation managers, they want to protect their independent decision-taking capabilities, using the fund only as a helper attentive to their needs.

John Edwards, Commodities Editor, writes: There was little reaction on the London tin market yesterday to news that the International Tin Council had adjourned for the second time its special session to consider export quotas.

The further adjournment of the Council meeting, which originally started last Friday, to March 29 or 30 is attributed mainly to disagreement by EEC member countries. Britain and West Germany are believed to be opposed to the imposition of quotas, partly on the grounds that the market has been distorted by the activities of the unidentified group that pushed prices to record levels, and may now hope for supply curbs to rescue its position.

The delay in reaching a decision has aroused expectations that export curbs may be restricted. Cash tin yesterday was £85 lower at £7,150 a tonne.

Zinc ended marginally higher, in spite of this week's move by the two West German smelters, Metallgesellschaft and Preussag, to cut their official European producer price by $40 to $860 a tonne.

Only last month the smelters raised their prices from $875 to $900 to come into line with other producers, who reduced their quotations from $950 and are holding firm so far.

Evidently the West Germans have decided $900 is not realistic, in view of the recent falls in U.S. zinc producer prices and LME values. Cash zinc was over £435 only 10 days ago.

Danish foot and mouth spreads

BY RICHARD MOONEY

FOOT AND mouth disease is *spreading quickly through* livestock in the western part of the Danish Island of Funen. The latest casualty is an agricultural school farm on the island where 1,473 cattle and pigs had to be destroyed yesterday.

This took total losses in the nine outbreaks confirmed since the disease was first diagnosed lat Thursday to 2,733 head.

With export market to Norway, Sweden, the U.S., Candaa *and Japan closed off because of* the disease, throughput at abattoirs is running down sharply and many slaughtermen have been laid off.

The virus is thought to have been carried on the air to Funen from farms near the East German coastal town of Rostock, only about 80 miles away across the Baltic.

The Rostock outbreak was confirmed two days before the Danish one, but it was not reported to the *International* Agency for Epidemic Animal Diseases in Paris for four days instead of the 24 hours laid down under an international agreement. It has been suggested that this delay, while not actually responsible for the Danish outbreak, has made it more difficult to contain.

A *veterinary surgeon* who was on the site of the initial Danish outbreak immediately before it was diagnosed is believed to have carried the *disease to other farms in the* area. This might not have happened had the foot and mouth risk been known, local veterinary officials said.

Farmers' associations are demanding that susceptible animals (all cloven-hoofed animals) in the affected area should now be vaccinated against the disease to halt its spread. Movement of animals in and through the area has already been forbidden and farmers have been *urged not* to gather in groups. An agricultural exhibition scheduled to begin yesterday in Odense, Funen's chief town, has been cancelled.

Meanwhile Mr Bjorn Westh, the Danish Agriculture Minister, flew to Funen to reassure *farmers that everything possible* was being done to halt the spread of the disease and that they would be compensated for any livestock lost.

Denmark exported $2bn worth of meat last year, about 15 per cent of it going to Japan, one of the markets now closed.

● Travel to six north-eastern *districts of East Germany* has been banned because of the foot and mouth disease outbreak there. The official Communist party daily Neues Deutschland *said the disease had been* reported in several herds around Rostock and one in the Neubrandenburg area to the south.

The disease has also broken out in parts of the Poltava and Kiev regions of the Soviet Ukraine. Warning signs had been posted at several farms, visitors returning from the region said, reports Reuter, and passing vehicles were being disinfected.

UK food price rise warning

EEC PLANS to raise farm prices will add up to £820m to Britain's annual food bill, the Consumers' Association warned yesterday.

Increases of 9 per cent recommended by the EEC Commission are "totally unjustified in *current market conditions,*" the association said, as the European Parliament in Strasbourg was due to consider the rises.

Cocoa at 9-month low

By Our Commodities Staff

COCOA PRICES fell to the lowest level since last July yesterday as rumours circulated on the London futures that Nigeria may soon be forced to sell because of its economic crisis.

The May futures position ended the day £23 down at £1,016.50 a tonne after falling to £1,005 earlier.

Speculative selling was encouraged by sales of cocoa products from Brazil and Ghana but the Nigerian rumours appeared to be the main downward influence.

Nigeria has been holding supplies off the market in the hope of higher prices. But it has been suggested Nigeria cannot afford to hold out much longer especially as low prices for its oil exports have caused a severe foreign exchange shortage.

Dealers said Nigeria still had about 130,000 tonnes of 1981-82 crop cocoa left to sell.

The recent decline in market prices has been attributed to disappointment at the result of the International Cocoa Organisation meeting last week at which a $75m loan from three Brazilian banks to extend price support funds was accepted. Producers had hoped that an offer of $120m would be accepted but consumers ruled out a 1 cent rise to 3 cents a lb in the export levy on which this offer was conditional.

Sugar export quotas lifted

THE INTERNATIONAL Sugar Organisation yesterday announced increased basic export quotas for this year, in spite of world market prices being well below the Agreement's "floor" level of 13 cents a lb.

Under the automatic formula used to calculate quotas, total exports permitted for member countries have been raised to 16.86m tonnes this year compared with 15.15m in 1981. So even if the full quota reduction to 85 per cent of the total is applied, as at present because of the low prices, the amount of sugar available far exceeds estimated consumption of 12.94m tonnes, after taking into account exports by the EEC and other non-members of the Agreement.

MALAYSIA

Palm oil refiners squeezed both ways

BY WONG SULONG IN KUALA LUMPUR

THE WOES of the Malaysian palm oil refining industry are a classic case of too many rushing into a good thing at the same time, resulting in everyone feeling the squeeze.

Eighteen of the existing 48 refineries have closed in the past year. On the demand side, the prolonged world recession and increasing competition from other edible oils have forced Malaysian refiners to take lower profit margins. On the supply side, refiners are fighting among themselves to get the crude oil to feed their plants, particularly during the low production season.

The plantations, taking advantage of this, are demanding high premiums. The 18 plants which closed are the smaller and less efficient ones. But even the remaining 30 big ones are operating on slim profit margins and are laying off workers.

According to the Palm Oil Refiners Association of Malaysia (Poram), refiners could make a profit of ringgit 150 per tonne of processed oil in 1979.

In 1980, the margin was reduced to ringgit 120 per tonne, and last year, it was only ringgit 75 per tonne.

Today, to cover costs and break even, a minimum margin of R125 per tonne is required.

"There is absolutely no profit to be made in processing palm oil these days. What we are doing is speculating in the market, and hope that the positions we take turn out to be profitable," said one big refiner.

The present problem can be traced back to the mid-1970s. Palm oil was coming out of Malaysia's plantations in an ever increasing volume. There was money to be made by refining this crude because there was no duty on export of refined oil which was also in good demand overseas.

Refining technology was moreover getting common and banks were willing to lend to build refineries to fulfil their quota of loans for agricultural food production imposed by the Central Bank.

Before 1974, there were about half a dozen plants, refining about 10 per cent of the country's crude.

By 1980, another 42 were built to make up the existing 48. All, except one, were located in West Malaysia.

According to the Malaysian Industrial Development Authority (Mida) which gave out the licences, the 48 plants have an approved capacity of 2.8m tonnes, which is equal to Malaysia's output of crude palm oil for last year.

Government officials therefore reckon that given another two years, there should be some equilibrium, even taking into account seasonal production levels as output of crude would be around 3.8m tonnes.

But refiners, say the squeeze on supply will remain until probably 1985, and even then, on condition no more new licences are approved.

Refiners say the 30 plants in operation today have an annual capacity of 3.5m tonnes, and are operating grossly under-capacity.

Mida has approved 60 licences for refineries, and their approved capacity is 3.6m tonnes, but the ultimate built up (approved or non-approved) capacity could be as high as 5m tonnes.

A Poram delegation which met Datuk Paul Leong, the Minister of Primary Industries, to discuss the industry's problems last week, laid great stress that the government should no longer approve any more refining licences.

As a short-term solution to the squeeze, the government is encouraging West Malaysian refiners to get supplies from east Malaysia and Indonesia, and is considering lifting all import duties on crude from these sources.

However, lack of shipping is a main constraint, as crude palm oil deteriorates fast unless properly transported.

The basic conflict over price of crude oil is a long standing one between Malaysia's oil palm growers and refiners.

The refiners are angry that growers are squeezing them hard because they control the supply of crude.

According to Poram, local growers are getting more than Ringgit 150 per tonne in premium over crude oil at Rotterdam, even after deducting freight and insurance charges.

"The palm oil growers are doing well because of us. We are subsidising them," complained one refiner.

There is some truth in this. While rubber cultivation is barely profitable, even for the biggest plantations, like Guthrie, Consolidated Plantations and Harrisons, their palm oil operations are standing up well in the current recession.

Japan would ignore sperm whale ban

BY OUR COMMODITIES STAFF

JAPAN TOLD a special meeting of the International Whaling Commission (IWC) in Brighton yesterday that it would not feel obliged to halt sperm whale hunting in its own 200-mile coastal zone even if the IWC voted for a ban on sperm whaling in the North West Pacific.

At its annual meeting last summer the IWC banned the hunting of sperm whales in the Northern Atlantic and the Southern Hemisphere. A call for a ban on the North-West Pacific is expected to achieve the required three-quarters majority at this week's two-day IWC meeting.

The Japanese have dismissed conservationists claims that scientists fear sperm whale stocks in the area are threatened with extinction.

The IWC cannot enforce its decisions, but the U.S., a leading anti-whaling member, has warned that it would stop Japan fishing in its waters if it ignored an IWC-agreed ban. Japanese fish catches off the U.S. coast are worth far more than its sperm whale catch.

Opening the meeting yesterday, Mr Alick Buchanan-Smith Minister of State at the UK Ministry of Agriculture said: "Obviously there are bound to be some fundamental differences of view among members of the Commission, but the Commission provides the only proper forum to discuss and resolve these differing views."

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper gave ground, reflecting the afternoon downturn in Gold, while hedge selling prompted minor falls in Tin. Lead and Zinc moved narrowly as did *Aluminium* and *Nickel.*

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrde				
Cash	839-40	—3	839.40	—5.5
3 mths	866-.5	—4.5	866.5-7	—6
Settlem't	840	—3	—	......
Cathodes				
Cash	838-7	—3.5	835.7	—5.25
3 months	862-4	—4.5	862-3	—5.75
Settlem't	837	—4	—	......
U.S. Prod.	—	—	*74-76	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £839.50, 39.00, three months £868.00, 67.50, 67.00, 66.00, 66.50. Kerb: Higher Grade, three months £867.00, 67.50, 68.00, 69.00, 68.50, 68.00, 68.50, 69.00, 68.50. Afternoon: Higher Grade, three months £868.00, 67.50, 67.00, 66.50. Kerb: Higher Grade, three months £867.00, 66.50, 67.00, 67.50, 68.00. Turnover: 14,775 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	335.5-6	+1.75	337-8	+4.25
3 months	345.5-6	+1.75	346.5-7	+3.25
Settlem't	336	+1.5	—	......
U.S. Spot	—	—	*27-32	......

Lead—Morning: Cash £335.50, three months £345.00, 46.00, 45.50. Afternoon: [illegible]. Turnover: 7,125 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7130-40	—100	7160-2	—69
3 months	7380-400	—82.5	7380-400	—96
Settlem't	7140	—100	—	......
Standard				
Cash	7130-40	—108	7145-55	—85
3 months	7350-55	—100	7365-70	—85
Settlem't	7140	—100	—	......
Straits E.	‡530.34	......	—	......
NewYork	—	......	—	......

Tin—Morning: Standard, cash £7,130, three months £7,390, 80, 70, 75, 60, 50. Kerb: Standard, three months £7,360. Afternoon: Standard: Three months £7,360, 65. Kerb: Standard: Three months £7,365, 75. Turnover: 1,810 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	428.5-9.5	—2.5	429-.25	+12.5
3 months	434-5	—1.5	434.5-5	+1
S'ment	429.5	—2.5	—	......
Primw'ts	—	......	*39.75-40.7	......

Zinc—Morning: Cash £429.00, three months £436.00, 35.50, 35.00, 34.50. Kerb: Three months £435.00, 35.50. Afternoon: Three months £436.00, 35.50, 35.00, 34.50, 35.00. Kerb: Three months £434.50, 35.00, 34.50, 34.25, 34.00, 34.25, 34.50, 34.00. Turnover: 6,775 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	556-.5	—4.25	556-7	+4
3 months	578-.6	—4.5	578.5-9.6	+4.25

Aluminium—Morning: Cash £557.00, three months [illegible]. Turnover: 13,150 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3085-90	+17.5	3075-85	+7.5
3 months	3125-8	+15	3120-9	+15.5

Nickel—Morning: Cash £3,085, three months £3,125. Afternoon: Three months £3,130, 25. Kerb: Three months £3,130. Turnover: 456 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 2.75p an ounce higher for spot delivery in the London bullion market yesterday at 402.7p. U.S. cent equivalents of the fixing levels were: spot 728.5c, up 7.4c; three-month 754.1c, up 6.8c; six-month 779.2c, up 7.3c; and 12-month 833.8c, up 7.2c. The metal opened at 400-403p (725-730c) and closed at 400½-403½p (725-730c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	402.70p	+2.75	401.45p	—1.05
3 months	414.70p	+2.88	414.6p	—1.15
6 months	427.70p	+2.60	—	......
12months	455.50p	+2.80	—	......

LME—Turnover: 87 (116) lots of 10,000 ozs. Morning: three months 417.0, 17.5, 16.0, 17.0, 17.5, 17.2, 17.3, 17.5. Kerb: three months 417.5, 7.2. Afternoon: three months 415.0, 14.5. Kerb: three months 415.0.

COCOA

Trade and commission house selling in thin conditions depressed futures for prices to trade at nine-month lows. Producers remained well above current levels while manufacturers showed only modest interest in replacing cover, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1005-14	—28.0	1032-990
May	1016-17	—23.0	1046-05
July	1044-45	—23.0	1070-36
Sept	1075-77	—24.5	1101-65
Dec	1106-07	—24.5	1131-99
March	1136-38	—21.5	1159-30
May	1156-58	—21.0	1175-56

Sales: 3,953 (2,727) lots of 10 tonnes.

ICCO—Daily price for March 24: 82.82 (84.56). *Indicator price for March 25:* 84.57 (86.01).

COFFEE

Despite a wave of protective buying the early rally failed to attract any follow-through support and values fell away on the face of long liquidation, reports Drexel Burnham Lambert. Average selling against a lower U.S. market prompted further losses and recent support levels were severely tested at the close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1275-80	—17.5	[illegible]
May	1197-98	—12.0	[illegible]
July	1158-59	[illegible]	[illegible]
Sept	1150-51	[illegible]	[illegible]
Nov	1140-41	[illegible]	[illegible]
January	1130-35	[illegible]	[illegible]
March	1118-25	[illegible]	[illegible]

Sales: 5,208 (4,142) lots of 5 tonnes. ICO indicator prices for March 23 (U.S. cents per pound): Comp. daily 1979 128.48 (125.40): 15-day average 131.38 (131.67).

SYDNEY GREASY WOOL

[illegible]

GAS OIL FUTURES

The market opened on the highs and drifted lower in very thin conditions steadying later in line with New York, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	276.00	[illegible]	[illegible]
April	260.50	[illegible]	[illegible]
May	244.50	[illegible]	[illegible]
June	241.25	[illegible]	[illegible]
July	241.00	[illegible]	[illegible]
Aug	244.00	[illegible]	[illegible]
Sept	246.00	[illegible]	[illegible]
Oct	247.50	[illegible]	[illegible]
Nov	250.50	[illegible]	[illegible]

Sales: 2,093 (3,310) lots of 100 tonnes.

GRAINS

[illegible]

RUBBER

[illegible]

WOOL FUTURES

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

COTTON

[illegible]

POTATOES

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

[illegible]

AMERICAN MARKETS

NEW YORK, March 24.

[illegible]

Tuesday's closing prices

[illegible]

EUROPEAN MARKETS

ROTTERDAM, March 24.

[illegible] June 183, July 184, Aug 185. U.S. No 2 Northern Spring, 14 per cent: April/May 10 187, May 185.75, June 185, July 185, Aug 185. Canadian Western Red Spring: April/May 203.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow, Spot 135, Afloat 135, March 132.75, April 131, May 129.50, June 129.50, July/Sept 130.50, Oct/Dec 132, Jan/March 139.50 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: April 260, May 259, June 259, July 259.75, Aug 260.75, Sept 261, Oct 257, Nov 257, Dec [illegible] 240 sellers. Brazil Pellets: Afloat 241.50, April 237, May 237, May/Sept 237 sellers. Argentine Pellets: April 233.50, May 233, July/Aug 231.50 sellers.

PARIS, March 24

Cocoa—(FFr per 100 kilos): March 1120-1150, May 1149-1150, July 1200, Sept 1253, Dec 1279, March 1325, May 1335 asked. Sales at call: 3.

Sugar—(FFr per tonne): May 1905-1907, July 1909-1924, Aug 1935-1957, Oct 1925-1935, Nov 1925-1935, Dec 1930-1940, March 2028-2040, May 2065-2085. Sales at call: 10.

INDICES

FINANCIAL TIMES

Mar. 23	Mar. 22	Month ago	Year ago
246.66	245.49	244.19	260.21

(Base: July 1, 1952=100).

MOODY'S

Mar. 23	Mar. 22	Month ago	Year ago
999.9	997.5	996.6	1155.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 23	Mar. 22	Month ago	Year ago
Spot	125.03	124.55	126.84	—
Futr's	128.93	130.02	132.87	—

(Average 1924-25-26=100)

REUTERS

Mar. 24	Mar. 23	M'nth ago	Year ago
1591.3	1592.5	1607.8	1700.1

(Base: September 18, 1931=100)

KRUGERRANDS
SOVEREIGNS
Other Gold Coins
Bought & Sold
Venus Coins Limited
75 Duke Street, Grosvenor Square
London W1M 5DJ
Tel: 01-629 3201 - Telex: 291211

PERSONAL

FACT
THE NUMBER OF SUFFERERS OF THIS DISEASE is increasing—
DIABETES
Join us—Help us
Support us
BRITISH DIABETIC ASSOCIATION
10 Queen Anne Street
London W1M 0BD

EDUCATIONAL

? Career Problems? ?

[illegible]

or telephone Miss E. Toms Cambridge (0223) 354551

ART GALLERIES

[illegible]

LONDON STOCK EXCHANGE

Gilt-edged ease on profit-taking but shorts hold firm

Equity interest centred on companies in the news

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 15	Mar 25	Mar 26	Apr 5
Mar 29	Apr 15	Apr 16	Apr 26
Apr 19	Apr 29	Apr 30	May 10

* "New time" dealings may take place from 9.30 am two business days earlier.

After a steady to firm opening, the recent upsurge in longer-dated Gilt-edged stalled yesterday in the absence of fresh support which led to profit-taking. Short-dated issues still showed to advantage following the downtrend in U.S. and Eurodollar interest rates. Further encouragement on this score came with yesterday's announcement of a small American bank reducing its prime by ½ to 16 per cent.

Gains in short-dated stocks generally ranged to ¼, after ⅜. Later dates closed a shade above the worst but with widespread falls to ⅜ in the mediums and to ½ in the longs. The Government Securities index gave up 0.42 at 69.13; at Tuesday's close, the index had registered a rise of over 3 per cent in the two weeks since the Budget.

Index-linked securities reversed the recent downturn with gains to ⅞, but £50-paid Treasury 2 per cent 1988, which met a poor response at application last Friday, eased ⅛ more to 49¾.

Equities disappointed after the previous day's improved volume of trade, but interest was sustained by a lengthy list of company trading statements. Leading shares generally showed small mixed movements and the FT 30-share index moved within a range of only 3.1 throughout the day; up 1.4 at noon the index ended a net 1.7 down at 562.6. Of the constituents, Lucas Industries fell 12 to 195p ahead of today's interim statement, while Distillers gained 5 to 175p in sympathy with Arthur Bell's 52 per cent half-year profits increase.

Eagle Star easier

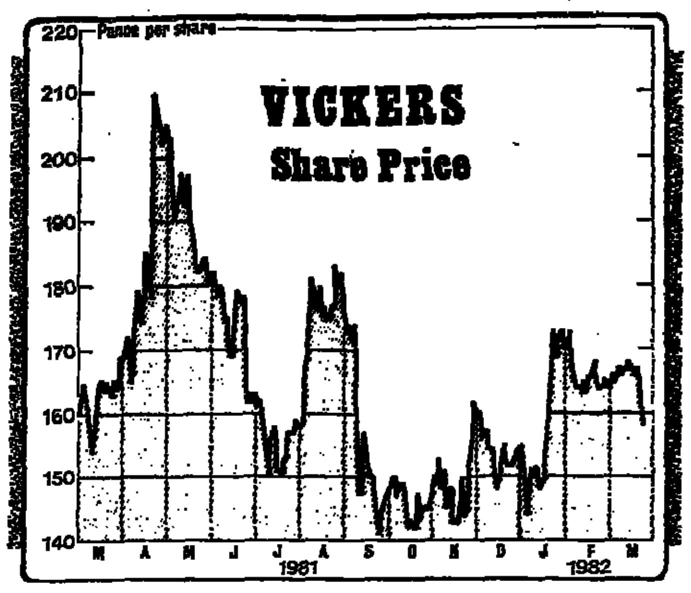
A good business was transacted in Insurances with interest centred mainly on three companies reporting annual figures. A particularly good market of late ahead of the statement, Eagle Star reacted to 378p on disappointment with the profits before closing a net 3 cheaper at 385p. The 74 per cent increase in underwriting losses saw Prudential retreat from an initial firm level of 240p to 230p, before finishing a few pence off at 232p, while London and Manchester fell 13 to 280p on the lower earnings and final dividend omission. Further consideration of the results left Equity and Law 6 cheaper at 428p but Hambro Life found support at 316p, up 4, after 322p. Still drawing strength from a broker's recommendation and Willis Faber's impressive results, Lloyds Brokers made further good progress. Willis Faber added 7 for a two-day advance of 19 to 445p.

The major clearing banks perked up in thin trading. Midland put on 8 to 350p.

Arthur Bell attracted an active two-way business following the excellent interim results and finished 12 higher at 186p. Other Wines and Spirits benefited from the announcement, notably Distillers, 5 up at 175p, after 177p, and Invergordon, 3 dearer at 159p. Allied-Lyons eased a fraction to 83p following the death of chairman and chief executive Sir Keith Showering.

Leading Buildings plotted an irregular course in thin trading. After the previous day's jump of 10 on the good preliminary results, Fairclough Construction touched 168p before closing 2 dearer on balance at 166p. Demand ahead of the interim results, due on April 5, lifted Bryant Holdings 3 to 101p. Sheffield Brick encountered selling and reacted to 40p before closing a net 4 cheaper at 41p.

ICI fluctuated narrowly in quiet trading before closing 2 down at 334p. Stewart Plastics firmed 3 to a 1981-82 peak of 126p.



Brokers upgrade Boots

Boots closed 5 up at 218p, after 220p, on reports of a broker's upgraded profits forecast. Other Store majors improved in sympathy, although most closed a shade below the best. Marks and Spencer finished a penny dearer at 153p, after 154p. Burton continued to respond to Tuesday's interim statement and firmed 4 more to 175p, while the Warrants added 3 for a two-day gain of 9 to 75p. Disappointing first-half figures left James Walker a penny easier at 56p. Church firmed 3 to 178p despite the annual profits setback.

Annual profits for BICC in excess of £100m had already been well discounted and the shares, firm of late, succumbed to profit-taking in the wake of the excellent figures to close a net 10 down at 335p. Other Electrical majors drifted lower as interest waned. GEC ended 8 off at 820p and Thorn EMI 4 cheaper at 428p, while Plessey relinquished 3 to 380p. After the previous day's fall of 10 on the placing of a 10 per cent stake at 496p per share, Standard Telephones and Cables rallied 4 to 527p. Reflecting the success of the £1.89m rights issue, Security Centres improved 3 to 151p. Bowthorpe rose 7 to 224p on buying ahead of Wednesday's preliminary statement.

Confirmation of the widely expected rights issue—calling for £23.3m of shareholder's funds — saw dealers open Vickers sharply lower at 152p but consideration of the accompanying annual profits which came at the top end of market estimates prompted a good rally which left the shares only a couple of pence cheaper at 158p by the close. Elsewhere in Engineerings, Rotork stood out with a jump of 7 to 50p in response to the better-than-expected results, while Percy Lane advanced 5 to 53p, after 55p, on the preliminary figures and proposed 50 per cent scrip issue. Demand ahead of the results scheduled for April 5 left Ash and Lacy 7 to the good at 290p, while G. M. Firth improved 4 to 201p on the company's acquisition of a 12.2 per cent shareholding in Howard Tenens; the latter eased a penny to 63p, after 66p.

Lack of support and occasional selling made for dull conditions in the Food sector. J. Sainsbury shed 10 to 575p, Associated Dairies 4 to 136p and Tesco a couple of pence to 62p. Northern eased 4 to 160p, while British Sugar touched 445p but finished 5 cheaper on balance at 435p. Trading statements were responsible for several notable movements in secondary issues. Blue Bird Confectionery, a rising market ahead of the interim results, encountered profit-taking following the announcement and closed 5 down at 58p. Speculative counter Albert Fisher gained 3 to 47p despite announcing a half-year loss and a proposed £385,000 rights issue. Following annual trading statements, Clifford's Dairies ended 3 to 131p, but J. N. Nichols (Vimto) shed 2 to 238p.

Dealings in Queens Moat Houses resumed following the £30m acquisition of 26 hotels from Grand Metropolitan; the shares opened at 33½p and touched 36p before closing at 34p compared with the suspension price 34½p.

A lengthy list of company announcements provided plenty of interest among secondary miscellaneous industrials. Rockware stood out with a rise of 8 to 71p in response to the better-than-expected preliminary results, while Bestobell's annual figures also pleased and the close was 15 dearer at 365p. Hepworth Ceramic, on the other hand, lost 5½ to 110p on disappointment with the modest 8 per cent increase in preliminary profits, while Berwick Timpo fell 4 to 33p on the annual deficit and final dividend omission. Maynards reflected the lower profits with a decline of 6 to 182p and Waterford Glass relinquished 2 to 20½p following comment on the results.

Ricardo advanced 15 to 472p after further consideration of the satisfactory interim figures and still hoping for benefits from cable television, BET advanced 7 more to 183p. J. Bibby, 365p, and Diploma Investments, 250p, gained 10 and 12 respectively, while Beatson Clark gained 6 to 205p and Royal Worcester 7 to 157p. Associated Communications Corporation "A" cheapened 2 more to 99p awaiting further developments; the bid from TVW Enterprises is not to be referred to the Monopolies Commission. The leaders were mixed, Bowater, 245p, and Reed International, 274p, both rose 4.

Selected travel issues attracted revived support, Horizon rising 7 to 392p and Intasun 4 to 144p. Owners Abroad, a neglected market of late, put on 1½ to 26½p, but Saga, awaiting today's interim results, shed 2 to 161p. Elsewhere in the Leisure sector, Riley Leisure shed 4 for a two-day fall of 12 to 113p on the proposed £3.3m rights issue.

Motor and Aircraft component suppliers finished with sizable losses in places. Adverse comment clipped 3 from Dowty, 117p, and 12 from Lucas, 195p; the latter's first-half results are expected today. Armstrong Equipment fell 4 to 28p on the mid-term deficit and reduced interim dividend.

Pearson Longman continued to attract strong speculative support and rose 15 to 305p awaiting further developments concerning the prospective minority offer from parent S. Pearson, 6 higher at 258p. Elsewhere in Publishers, renewed support was evident for William Collins A, 9 up at 192p. Preliminary results from DRG were above market expectations and the shares were briskly traded up to 86p for a gain of 13, but Watmoughs continued to react on the disappointing annual statement and gave up 8 for a two-day fall of 20 to 180p.

Properties featured Slough Estates which touched 144p before closing a net 9 up at 143p in response to the good annual profits, the scrip issue proposal and the assets revaluation; the 10 per cent convertible jumped 17 points to £265. Among secondary issues, Federated Land, in receipt of an offer from M. P. Kent, shed 5 to 148p; it was announced yesterday that Mr P. H. Meyer, managing director of Federated, had bought 750,000 shares of the company's 6 per cent equity, at 150p per share.

Progress in Oils was hampered by reports that Iran had negotiated contracts to sell its oil at $35 a barrel. British Petroleum reverted to the overnight level of 294p, after 298p, while Shell closed unchanged on balance at 372p, after 376p. Lasmo, still drawing strength from the good preliminary results, put on 15 for a two-day gain of 40 to 300p, after 305p, while Tricentrol, reporting today, added another 6 to 198p. Elsewhere, Global Natural Resources, up 90 in the last couple of days, closed 10 down at 610p, after 650p, following the annual results.

Among Investment Trusts, General and Commercial were marked 8 higher at 228p following a tentative bid approach from an unnamed party.

Among otherwise subdued Textiles, Sirdar firmed 5 to 130p following the increased interim earnings.

Golds below best

South African Golds closed marginally firmer on balance after a day of increased activity.

The market got off to a firm start, as bullion moved ahead to touch $334 per oz, encouraging good local and overseas interest.

However, profit-taking in the bullion price — finally $2.5 up on balance at $332 — coupled with news of the South African budget proposal to raise the tax surcharge on gold and diamond mines to 15 per cent from the existing 5 per cent led to widespread profit-taking which left the sharemarket only a fraction higher on the day.

Heavyweights were active and often erratic with Western Deep up ⅛ at £13⅛ and Randfontein ½ firmer at £22⅝. On the other hand, Kloof fell ⅛ to £12⅛.

South African Financials attracted good demand in early trading but eased back following the budget news.

London Financials made good progress in initial dealings but came back on profit-taking to close only marginally firmer on balance.

The Bermuda-based Minorco attracted sustained overseas support and moved up 20 to 365p.

Australians gained ground in line with overnight Sydney and Melbourne markets and were also boosted by the Jackson South 1 oil discovery in Queensland's Cooper Basin. Claremont, which holds a 10 per cent interest in the Jackson South 1 well, advanced 8 to 55p, and Santos 10 to 260p.

Leading base-metal producers showed MIM Holdings 7 firmer at 161p and Western Mining 5 up at 213p. North Kalgurli lost 4 more to a 1981/2 low of 20p, still reflecting concern over the delayed half-year results.

Demand for Traded Options continued to improve and contracts completed amounted to 2,406 — the highest for a month. Calls transacted totalled 1,556 of which Imperial recorded 339 and British Petroleum 283p. BP were also active on the put front, contributing 554 trades to a total of 850.

FINANCIAL TIMES STOCK INDICES

	Mar. 24	Mar. 23	Mar. 22	Mar. 19	Mar. 18	Mar. 17	A year ago
Government Secs	69.13	69.55	69.06	68.45	68.30	68.01	69.81
Fixed Interest	69.59	69.56	69.31	69.03	68.90	68.83	71.88
Industrial Ord.	562.6	564.3	558.1	562.7	556.8	551.4	507.4
Gold Mines	254.8	254.6	240.5	234.4	233.0	219.6	364.7
Ord. Div. Yield	5.58	5.57	5.62	5.59	5.65	5.70	6.43
Earnings, Yld.%(full)	10.68	10.65	10.75	10.69	10.55	10.33	13.61
P/E Ratio (net) (*)	11.91	11.95	11.84	11.90	12.15	12.50	9.10
Total bargains	19,893	24,020	21,010	18,408	†19,781	20,174	28,884
Equity turnover £m.	—	180.79	101.54	136.88	118.28	150.68	166.24
Equity bargains	—	21,246	16,524	14,759	15,958	17,095	25,533

10 am 564.3. 11 am 545.2. Noon 565.7. 1 pm 565.2. 2 pm 563.2. 3 pm 563.5.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.81.

† Correction.

HIGHS AND LOWS

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3/81)	60.17 (26/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3/81)	61.61 (26/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9/81)	209.2 (8/3/82)	558.9 (22/9/80)	43.6 (26/10/71)

S.E. ACTIVITY

	Mar. 23	Mar. 22
—Daily		
Gilt Edged Bargains	235.9	219.6
Equities Bargains	137.7	107.7
Equities Value	366.4	205.2
5-day Avrge.		
Gilt Edged Bargains	200.6	191.5
Equities Bargains	111.0	107.9
Equities Value	278.2	261.1

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1981/82 High	1981/82 Low	Stock	Closing price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
142	F.P.	26/3	202	185	Amersham	199	−1	b3.5	2.9	2.5	18.0
15	F.P.	15/4	25	19	Cambrian & Gen. 7½p	25	−½				
80	F.P.	—	367	315	✻Eldridge Pope £1	367	+2	9.5	2.9	3.7	11.3
—	F.P.	—	25	21	Fleet Holdings 20p	24					
—	F.P.	—	38	37	Greenfriar Warrants	35					
‡89	F.P.	5/5	93	89	✻Imm. Bus. Sys. 10p	92					
§120	F.P.	—	130	127	Leisure Inds.	130	+1	b5.0	2.8	5.5	9.1
[illegible]	F.P.	—	53	47	✻Malaysian Tin 5p	50					11.0
§130	F.P.	16/4	170	137	✻Oceonics 10p	170	+5	bd1.3	4.7	1.3	18.2
[illegible]	F.P.	—	30	30	Osprey Assets	30		F1.4	—	6.2	
[illegible]	F.P.	—	42	40	P. H. Industrials	40		b3.3	1.8	12.6	6.3
46	F.P.	19/2	63	47	✻York Mount.	63		4.51	◆	10.6	◆

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price £	+ or −
§100	£25	30/7	35¾	25½	Barclays 16% LnStk.	35¼	—
100	F.P.	14/4	116	111	Boddingtons Brew 9½% Cnv. Ln. 2000-05	114	—
100	F.P.	22/3	103	99	Hunting Pet. 10% Cnv. Ln. 1997	99	—
‡99	£10	29/4	11½	10½	Lee Valley 9½% Red. Prf. 1989	11¼	—
§100	£10	—	102	99¾	Nationwide Bdg. Soc. 16¼% 17.1.83	102	—
§100	F.P.	—	101⅛	100	Do. 15⅝% 7.2.83	101⅛	—
§100	F.P.	—	100⅜	100¼	Do. 14¼% 14.3.83	100¼	—
**	F.P.	16/4	102p	100p	Ropners 11½% Cum. Prf.	102p	—
98.53	£20	20/5	25½	19¾	Trans-Canad Pipelines 16¼% Notes 2007	25¼	+¼

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −
70	F.P.	15/3	19/4	87	75	✻Clyde Petroleum	85	−2
40	F.P.	8/3	23/4	42	40	✻Energy Finance 10p	40	—
30	Nil	29/3	10/5	27pm	20pm	First Castle 10p	25pm	—
180	F.P.	22/3	29/4	188	164	Hunting Pet. Services	182	+2
220	F.P.	26/2	26/3	296	258	Lovell (Y. J.)	287	+1
A$2.25	Nil	—	—	25pm	12pm	M.I.M.	25pm	+7
188	F.P.	11/2	26/3	230	217	MEPC	230	+4
74	Nil	8/4	6/5	27½pm	24pm	St. George's Grp. 10p	27pm	—
110	F.P.	23/3	23/4	152	134	Security Centres	152	+4
11	Nil	6/4	27/4	3½pm	3¼pm	Shaw & Marvin 10p.	3½pm	—
10	F.P.	24/3	23/4	12½	11	Sturla 10p.	11½	—

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✻ With warrants. †† Dealings under special Rule. ✻ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ** Unit comprising five ordinary and three Cap shares.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BICC	335	−10	Hambro Life	316	+4
Bestobell	365	+15	Howard Tenens	63	+1
Celtic Haven	33	+2	LASMO	300	+15
Cons. Gold Fields	393	+8	Lucas Inds.	195	−12
DRG	86	+13	Slough Estates	143	+9
Eagle Star	385	−3	Vaal Reefs	£25¼	+0⅛

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Shell Transport	29	372	+8	GEC	22	828	+3
Cns. Gld. Flds.	27	385	+12	Tricentrol	21	192	+10
LASMO	27	285	+25	I. C. Gas	19	197	+13
Ultramar	26	373	+18	GUS "A"	18	512	+12
BP	24	294	+8	BAT Inds.	17	410	+7
De Beers Dfd.	24	236	+6	Racal Elec.	17	385	−1
Marks Spencer	23	152	+4	Tnr. & Newall	16	65	—

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 22	April 2	July 1	July 12
April 5	April 26	July 15	July 26
April 26	May 7	July 29	Aug 9

For rate indications see end of Share Information Service

Calls were arranged in Western Areas, Ladbroke, Eagle Star, North Kalgurli, Pennine Commercial, Trident TV, Selincourt, Turner and Newall, Burmah Oil, International Petroleum, Bambers, Renold, Vickers, Premier Oil, Distillers, William Boulton, GKN, Second City Properties, Clyde Petroleum, Platignum, Reliant Motor and Howard Tenens. Puts were done in Lasmo. Racal and Southvaal, while doubles were taken out in Premier Oil, Bowater and Charterhall.

A FINANCIAL TIMES SURVEY

WORLD BANKING

Part 1, 4th MAY, 1982. Part 2, 10th May, 1982.

The Financial Times proposes to publish a Survey on the above. The provisional editorial synopsis is set out below:

PART 1

INTRODUCTION The international banking system is facing major challenges on several fronts: an overview of the risks and rewards facing bankers over the coming decade.

Editorial coverage will also include:

PROFITABILITY
THE RISKS
THE STRUCTURE
THE WORLD ECONOMY AND ITS IMPACT ON BANKS
BANK REGULATIONS
COUNTRY PROFILES: EUROPE AND ISRAEL

PART 2

INTRODUCTION The business of banking: as it becomes increasingly difficult to make adequate profits by traditional lending, bankers are reviewing their long-term strategies in order to bolster their markets.

Editorial coverage will also include:

RETAIL BANKING
CORRESPONDENT BANKING
TECHNOLOGY
FINANCIAL FUTURES
INTERNATIONAL LEASING
INTERNATIONAL PAYMENT SYSTEMS
INDUSTRY FINANCING
THE EURODOLLAR MARKET
THE EUROBOND MARKET
INTERNATIONAL MONEY BROKERS
INTERNATIONAL PORTFOLIO MANAGEMENT
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AFRICA

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (51)

BRITISH FUNDS (3)
Exchqr. 11¾pc '84 Treas. 8¼pc '84-86
Exchqr. 3pc 1984

COMMONWEALTH LOANS (2)
N.Z. 7½pc '83-86 S. Rhod. 2½pc N-Ass

FOREIGN BONDS (1)
Ireland 7½pc '81-83

BANKS (1)
Commerzbank

BEERS (1)
Bulmer (H. P.)

BUILDINGS (7)
BPB Inds. Newarthill
Bryant Hldgs. Ruberoid
Fairclough Cons. Tarmac
Lovell (Y. J.)

CHEMICALS (1)
Stewart Plastics

STORES (5)
Burton Group Habitat 9½pc Cnv.
GUS Marks & Spencer
Do. A

ELECTRICALS (4)
Bowthorpe Crystalate
Cambridge Elec. Security Centres

ENGINEERING (2)
Anderson Strath. Ransomes Sims

FOODS (2)
Clifford's Dairies Glass Glover
A N-V

INDUSTRIALS (6)
Beatson Clark Chubb
Bibby (J.) Diploma
Braby Leslie Silentnight

INSURANCE (4)
Heath (C. E.) Sedgwick
Howden (A.) Willis Faber

LEISURE (2)
Intasun Owners Abroad

NEWSPAPERS (3)
Assoc. Bk. Pubs. Pearson Longman
Collins (Wm.) A

TEXTILES (2)
Miller (F.) Notts. Manuf.

TRUSTS (3)
Cedar Inv. Pearson (S.)
General & Commerc'l

OIL & GAS (1)
ORE

MINES (1)
Tanks Con. Pref.

NEW LOWS (13)

STORES (2)
Walker (Jas.) N-V Waring & Gillow

INDUSTRIALS (3)
Elswick-Hopper Stonehill
Hanimex

MOTORS (1)
Hesketh Motor

OIL & GAS (2)
Gulfstrm. Res. Can. Saxon

TEAS (1)
McLeod Russel 8.4pc Cnv.

MINES (4)
Metal Exploration North Kalgurli
Nickelore Petaling

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	18	62	13
Corpns. Dom. and Foreign Bonds	12	9	52
Industrials	233	202	920
Financial & Props.	165	37	316
Oils	41	20	49
Plantations	2	5	17
Mines	62	38	63
Others	58	34	49
Totals	591	407	1,479

HIGHGATE OPTICAL

Shares of Highgate Optical and Industrial Company were suspended yesterday at the company's request pending clarification of the group's financial position.

Highgate, a distributor of optical and photographic equipment, reported a pre-tax profit of £10,866 for the six months ending June 1981, compared with £3,000.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed March 24 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Mar 23 Index No.	Mon Mar 22 Index No.	Fri Mar 19 Index No.	Thur Mar 18 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	371.62	−0.4	9.50	4.27	13.17	373.06	371.56	372.33	368.46	329.93
2	Building Materials (25)	335.46	−0.5	13.01	5.13	9.23	337.02	334.78	335.28	331.63	299.30
3	Contracting, Construction (28)	618.53	+0.3	14.45	4.66	8.16	616.53	611.43	610.81	606.10	552.61
4	Electricals (31)	1286.12	−0.6	7.21	2.30	17.73	1294.41	1292.33	1294.62	1274.33	1051.32
5	Engineering Contractors (9)	501.32	−0.1	12.88	5.86	9.05	501.97	493.53	495.98	493.62	425.06
6	Mechanical Engineering (67)	191.26	−0.1	11.15	5.79	11.36	191.41	190.50	190.82	190.06	197.00
8	Metals and Metal Forming (12)	164.07	+0.4	9.92	7.47	13.02	163.47	162.03	162.59	160.74	154.44
9	Motors (21)	96.46	−2.6	—	6.91	—	99.07	98.82	99.49	99.57	92.39
10	Other Industrial Materials (17)	382.07	−0.1	9.67	5.50	12.51	382.27	382.09	383.70	381.54	344.56
21	CONSUMER GROUP (199)	299.60	—	12.20	5.57	10.06	299.47	295.29	296.74	293.35	259.00
22	Brewers and Distillers (21)	298.71	+0.9	15.75	6.53	7.64	296.16	292.80	293.75	290.40	270.48
25	Food Manufacturing (21)	276.65	−0.6	15.38	6.55	7.82	278.22	274.41	275.75	271.37	243.50
26	Food Retailing (15)	614.28	−1.4	8.79	3.27	13.86	623.22	614.53	612.61	606.61	505.68
27	Health and Household Products (8)	390.18	−0.1	8.06	4.05	14.57	390.60	387.79	390.71	389.17	272.96
29	Leisure (24)	446.98	−0.6	9.32	4.95	13.46	449.75	445.92	446.60	441.34	395.73
32	Newspapers, Publishing (12)	522.30	+0.7	10.87	6.02	12.31	518.62	518.48	517.93	517.81	427.15
33	Packaging and Paper (13)	149.13	+2.4	13.41	7.23	8.91	145.66	144.17	143.73	142.57	133.44
34	Stores (45)	277.61	+0.5	10.20	4.83	13.16	276.25	270.21	272.30	268.66	262.39
35	Textiles (23)	174.81	+0.6	9.69	5.72	13.31	173.72	173.11	173.30	172.47	144.04
36	Tobaccos (3)	307.82	−0.5	19.90	8.47	5.72	309.49	303.37	308.02	303.47	211.41
39	Other Consumer (14)	290.89	+0.2	8.23	5.82	—	290.45	291.05	289.24	287.08	264.53
41	OTHER GROUPS (78)	258.15	—	13.00	6.03	9.27	258.18	255.78	256.46	253.25	234.43
42	Chemicals (16)	337.23	−0.2	13.23	6.85	9.03	337.95	334.85	336.92	333.58	340.81
44	Office Equipment (4)	129.27	−0.9	12.45	6.65	9.78	130.40	129.42	129.89	128.61	118.58
45	Shipping and Transport (13)	574.15	—	18.66	6.43	6.38	574.20	569.17	573.16	564.33	480.58
46	Miscellaneous (45)	328.59	+0.3	11.26	5.00	10.88	327.51	324.26	323.53	318.75	283.75
49	INDUSTRIAL GROUP (487)	318.93	−0.1	11.31	5.15	10.88	319.32	316.24	317.37	313.81	276.96
51	Oils (13)	679.80	+0.2	18.31	8.52	6.39	678.28	659.61	660.73	643.61	585.18
59	500 SHARE INDEX	348.37	−0.1	12.40	5.68	9.81	348.61	344.28	345.41	340.76	310.02
61	FINANCIAL GROUP (117)	261.65	+0.3	—	6.09	—	260.84	259.34	260.33	257.33	250.71
62	Banks (6)	279.51	+0.7	38.23	7.64	2.87	277.59	278.65	281.09	275.71	233.82
63	Discount Houses (9)	239.89	+1.9	—	9.04	—	235.37	235.15	235.82	234.38	307.82
65	Insurance (Life) (9)	262.06	−0.5	—	6.19	—	263.32	259.51	259.04	257.98	265.93
66	Insurance (Composite) (10)	168.93	−0.3	—	8.18	—	169.43	168.25	168.89	165.89	164.00
67	Insurance Brokers (7)	475.96	+1.7	11.08	5.06	12.32	467.98	453.04	453.45	443.92	342.35
68	Merchant Banks (12)	145.84	+0.7	—	5.38	—	144.87	144.77	144.83	144.85	155.02
69	Property (49)	462.66	+0.4	4.66	3.20	28.63	460.72	458.11	459.11	457.14	496.00
70	Other Financial (15)	181.94	+0.3	15.75	5.99	7.81	181.46	180.54	181.45	180.28	175.46
71	Investment Trusts (112)	297.34	+0.9	—	5.41	—	294.75	292.10	291.94	291.70	244.89
81	Mining Finance (4)	209.72	+1.3	16.15	6.78	7.52	207.03	204.18	204.43	203.57	234.10
91	Overseas Traders (17)	386.48	+0.5	13.55	8.24	9.01	384.47	383.71	382.86	378.98	406.35
99	ALL-SHARE INDEX (750)	326.04	+0.1	—	5.80	—	325.75	322.20	323.16	319.24	305.33

FIXED INTEREST

	PRICE INDICES	Wed Mar 24	Day's change %	Tues Mar 23	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	110.89	+0.16	110.72	—	2.89
2	5-15 years	112.05	−0.56	112.67	—	2.66
3	Over 15 years	116.21	−0.74	117.07	—	2.87
4	Irredeemables	122.34	−0.84	123.37	—	1.62
5	All Stocks	112.77	−0.40	113.22	—	2.77
6	Debentures & Loans	88.47	+0.23	88.27	—	3.09
7	Preference	65.11	+0.53	64.76	—	2.20

	AVERAGE GROSS REDEMPTION YIELDS		Wed Mar 24	Tues Mar 23	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	11.87	11.85	[illegible]
2		15 years	12.63	12.53	[illegible]
3		25 years	12.44	12.33	[illegible]
4	Medium Coupons	5 years	13.78	13.76	[illegible]
5		15 years	13.59	13.47	[illegible]
6		25 years	13.14	13.04	[illegible]
7	High Coupons	5 years	13.70	13.69	[illegible]
8		15 years	13.78	13.66	[illegible]
9		25 years	13.23	13.11	[illegible]
10	Irredeemables†		12.19	12.08	[illegible]
11	Debs & Loans	5 years	14.46	14.44	[illegible]
12		15 years	14.47	14.53	[illegible]
13		25 years	14.47	14.51	[illegible]
14	Preference†		15.08	15.16	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post [illegible].

INSURANCE BONDS

Abbey Life Assurance Co. Ltd.

1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	225.6	237.5	.....	—
Equity Fund	50.5	53.2	+0.3	—
Property Acc.	263.4	277.3	.....	—
Equity Acc.	48.0	50.6	.....	—
Selective Fund	145.8	153.5	+0.4	—
Money Fund	163.5	172.2	.....	—
Convertible Fund	175.5	184.8	.....	—
Prop. Fd. Ser. 4	208.0	219.0	.....	—
Equity Ser. 4	54.1	57.0	+0.3	—
Man. Ser. 4	196.3	206.7	+0.4	—
Money Ser. 4	148.4	156.3	.....	—
Conv. Ser. 4	148.5	156.4	.....	—
Fixed Int. Fd. Ser. 4	116.6	122.8	−0.4	—
American Ser. 4	110.0	116.8	+2.0	—
High Inc. Ser. 4	115.6	121.7	+0.5	—
Pension Property	312.4	328.9	.....	—
Pension Equity	275.2	289.7	+1.8	—
Pension Selective	146.4	154.2	+0.5	—
Pension Managed	287.2	302.4	+1.1	—
Pension Security	215.7	227.1	.....	—
Pension Fixed Int.	112.1	118.1	+0.4	—

Albany Life Assurance Co. Ltd.

31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	314.4	330.9	.....	—
Fixed Int. Acc.	194.5	204.7	.....	—
Gtd. Money Fd. Ac.	153.5	161.5	.....	—
Intl. Man. Fd. Acm.	140.8	148.1	.....	—
Intl. Fxd. Int. Fd.	107.3	112.9	.....	—
Prop. Fd. Acc.	157.7	166.0	.....	—
M'ple Inv. Acc.	245.5	258.4	.....	—
Equity Pen. Fd. Acc	430.4	453.0	.....	—
Fixed I. Pen. Acc.	311.4	327.7	.....	—
G'td. Mon. Pen. Acc.	210.0	221.0	.....	—
Intl. Mn. PnFdAcc.	162.2	170.7	.....	—
Prop. Pen. Acc.	206.9	217.8	.....	—
M'ple Inv. Pen. Acc.	354.7	373.3	.....	—

AMEV Life Assurance Ltd.

2-6, Prince of Wales Rd., B'mouth. 0202 762122

Crown Life

Crown Life Hse., Woking GU21 1XW 04862 5033

Dist. Fd. Incm.	113.8	119.7	+0.2	10.40
Mang'd Fd. Acc.	153.4	161.4	.....	—
Mang'd Fd. Init.	136.4	143.5	.....	—
Mang'd. Fd. Incm.	127.7	134.4	.....	8.25
Property Fd. Acc.	130.2	137.0	.....	—
Property Fd. Init.	116.0	122.1	.....	—
Property Fd. Incm.	104.1	109.5	.....	7.10
Fixed Int. Fd. Acc.	135.2	142.3	−0.6	—
Fixed Int. Fd. Incm.	103.6	109.0	−0.4	13.05
Equity Fd. Acc.	152.6	160.6	+0.9	—
Equity Fd. Init.	136.4	143.5	+0.8	—
Equity Fd. Incm.	132.6	139.5	+0.8	5.25
Inv. Tst. Fd. Acc.	157.6	165.8	+0.3	—
Inv. Tst. Fd. Init.	140.6	147.9	+0.3	—
Inv. Tst. Fd. Incm.	136.4	143.5	+0.3	2.55
Money Fd. Acc.	129.2	136.0	.....	—
Money Fd. Incm.	96.6	101.6	.....	15.00
Inter'l. Fd. Acc.	128.8	135.5	+1.7	—
Inter'l. Fd. Incm.	115.0	121.0	+1.5	4.30
High Income Acc.	123.7	130.2	+0.2	—
High Income Inc.	107.6	113.2	+0.1	11.15
PE Coronet Fd.	129.5	136.3	.....	—
Carr Sebag Inv. Fd.	131.6	138.5	.....	—
Brewin Equity Fd.	154.6	162.7	.....	—
Strategic Inv. Fd.	97.8	102.9	.....	—
Beaufort Man. Fd.	94.5	99.4	.....	—
St. George Mangd. Fd.	108.2	113.8	.....	—
Lincs & Gen. Fd.	116.9	123.0	.....	—
Sage Fd.	83.9	88.3	.....	—
Heritage Fd.	95.4	100.4	.....	—
DBS Managed	102.3	107.6	.....	—
Crown. Brit. Inv. A	212.3		.....	—
Pens. Mixed. Fd.	143.9	149.1	.....	—
Pens. Mang'd. Acc.	107.5	113.1	.....	—
Pens. Mang'd. Init.	104.7	110.2	.....	—
Pens. Equity Acc.	96.3	101.3	.....	—
Pens. Equity Init.	93.7	98.6	.....	—
Pens. Fxd. Int. Acc.	107.4	113.0	.....	—
Pens. Fxd. Int. Init.	104.6	110.1	.....	—
Pens. Money Acc.	105.5	111.0	.....	—
Pens. Money Init.	102.8	108.2	.....	—

Crusader Insurance PLC

Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop. Mar 2	108.5	113.8	.....	—
Managed Pens Mar 10.	111.91	117.80	.....	—

Eagle Star Insur./Midland Assur.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

John Foord + Co
industrial valuers

BRITISH FUNDS

1981-82 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅞	98⅝	Treasury 8¼pc '82	98⅞	......	8.34	12.32
98¼	93½	Exch. 9¼pc 1982	98⅛	......	9.43	13.19
97	92⅞	Exch. 8¾pc 1983	96¾	......	9.04	13.14
94	84⅞	Exch. 3pc 1983	92½	+¼	3.24	11.88
99⅞	95	Treasury 12pc 1983‡‡	99¼	......	12.09	12.82
97	90⅛	Treasury 9¼pc '83	96⅞	+⅛	9.55	11.86
101 13/16	95¼	Exch. 13½pc '83	100¼	+⅛	13.47	13.27
96⅛	89¾	Exch. 10pc 1983	95⅞	+⅛	10.43	12.70
91	83½	Funding 5½pc '82-84‡‡	91	......	6.04	11.09
97⅞	90	Exch. 11¼pc 1984	97⅜	+⅛	11.55	12.82
103 [illegible]	95¼	Exchequer 14pc. 1984	101½	+¼	13.79	13.16
85¾	77	Exch. 3pc 1984	85¾	+¼	3.50	10.35
98⅜	90½	Treasury 12pc 1984	97⅞xd	+¼	12.26	13.00
107¾	95⅞	Treasury 15pc 1985	103⅞	+⅛	14.44	13.33
98⅞	88¼	Exch. 12pc Cnv. '85	97¼	+¼	12.34	13.14
79¼	71	Treasury 3pc 1985	79¼	......	3.25	10.94
96 [illegible]	85¼	Treasury 11½pc 1985	94⅝	+⅛	12.15	13.55
98⅞	87⅝	Exch. 12¼pc 1985	96¼	+¼	12.73	13.55
97⅛	84¼	Exch. 11¾pc '86	94⅞	+⅛	12.38	13.46
74¼	65¾	Treasury 3pc 1986	73	......	4.11	11.33
97 13/16	84½	Treasury 12pc '86	94⅞	+⅛	12.65	13.61
89	78½	Treasury 8¼pc '84-86‡‡	89	+½	9.55	11.84
101⅛	91⅞	Exch. 14pc 1986	101⅛xd	......	13.84	13.69
103⅞	90	Exch. 13¼pc 1987	99¼	......	13.35	13.44
60⅛	55	Do. A (£50 pd.)	60⅛	......	13.47	13.70
		Five to Fifteen Years				
82½	71⅛	Funding 6½pc '85-87‡‡	82¼	−¼	8.16	11.93
67 9/16	64½	Treasury 5pc 1987	67¼	−1/16	4.50	11.59
98¼	81½	Treas. 12pc 1987	97⅞	−⅛	12.87	13.76
81¾	72¼	Treasury 7¾pc '85-88‡‡	81	−¼	9.72	12.75
65½	58⅝	Transport 3pc '78-88	63	−¼	4.87	11.63
92¾	79	Treasury 11½pc 1989	90⅛	−½	12.90	13.99
67¼	59¾	Treasury 5pc '86-89	64xd	−¼	7.75	12.24
101½	85¼	Treasury 13pc 1990‡‡	98⅛	−½	13.59	13.90
95 7/16	81⅝	Exch. 12½pc 1990	93⅛	−½	13.44	13.98
80⅞	69⅞	Treasury 8¼pc '87-90‡‡	78¾	−¼	10.79	12.97
93⅛	77¼	Treasury 11¾pc 1991	91¼	−½	13.22	13.97
66¾	57	Funding 5¾pc '87-91‡‡	64⅜xd	−¼	8.91	12.26
90	72⅞	Exch. 11pc 1991	84⅝xd	−½	12.86	13.77
98⅜	81¼	Treasury 12¾pc '92‡‡	96⅛	−½	13.55	13.87
82⅞	69⅞	Treasury 10pc 1992	81⅞	−⅜	12.35	13.53
94⅜	79	Exch. 12¼pc '92	92⅛	−½	13.43	13.89
101⅞	84¼	Exchequer 13½pc '92	97½	−½	13.86	13.97
96¾	79¾	Treasury 12½pc '93‡‡	94¾	−½	13.54	13.85
63⅞	53¾	Funding 6pc 1993‡‡	61⅛	−¼	9.84	12.49
105¼	84	Treasury 13¾pc 1993‡‡	103⅝	−⅜	13.88	13.90
107¼	90⅜	Treasury 14½pc '94‡‡	104⅝	−⅜	13.99	13.85
104¼	82⅝	Exchequer 13½pc 1994	96¼xd	−½	13.85	13.96
95⅞	79¼	Exch. 12½pc 1994	93	−½	13.60	13.88
79¾	63¼	Treasury 9pc '94‡‡	78	−⅜	12.03	13.12

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

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FOREIGN BONDS & RAILS

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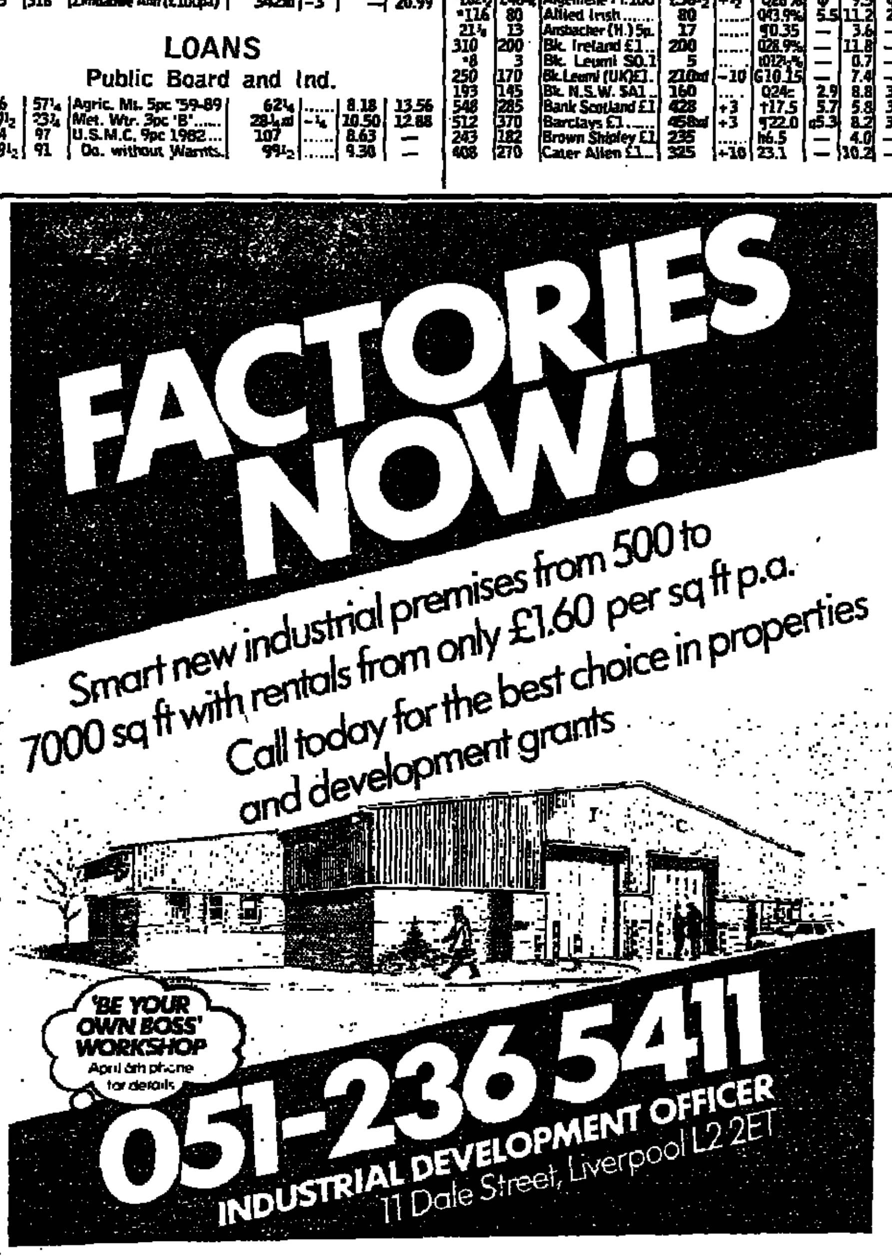
FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)



INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHERS

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

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MINES—Continued

Central African

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
650	75	Falcon Rh.50c	75	.....	Q25c	10.3	24.8
135	55	Roan Cons. K4	70	−5	♦—	—	—
59	20	Wankie Col. Z$1	22	.....	Q3c	1.2	10.2
32	16	Zam.Cpr.SBD0.24	18	+1	—	—	—

Australian

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
41	10	ACM 20c	14	.....	—	—	—
21	2½	Argosy Gold NL 25c	3	+½	—	—	—
229	70	Bond Corp.	72	+2	GQ10c	2.3	5.9
112	63	Bougainville I Kina	71	+3	Q6½c	1.2	5.5
302	146	CRA 50c	154xd	+2	Q5c	♦	2.0
25	9	Canada Northwest	9½	.....	—	—	—
35	10	Carr Boyd 20c	13	.....	—	—	—
60	22	Central Pacific	37	+1	—	—	—
47	10	Coltus Pacific N.L.	18½	+3	—	—	—
68	14	Eagle Corp. 10c	17	.....	—	—	—
40	14	Endeavour 20c	15	.....	—	—	—
560	160	G. M. Kalgoorlie 25c	295		Q32½c	0.9	10.3
25	6	Great Eastern	6		—	—	—

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL MARKETS

[illegible] not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	42	+2
Bertrams	17½	.....
Bdg'wtr. Est. 50p	410	.....
Craig & Rose £1	£12¼	.....
Finlay Pkg. 5p	27	+½
Graig Shlp. £1	£20	.....
Higsons Brew.	70	.....
Holt (Jos) 25p	565	.....
I.O.M. Stm. £1	120	.....
Pearce (C. H.)	£11½	−½
Peel Hldgs.	132	.....
Sheff. Refrsbmt	77	.....
Sindall (Wm.)	200	.....

IRISH

Stock	Price	+ or −
Conv 9% '80/82	£95⅝	.....
Nat. 9¼% 84/89	£66¼	+½
Fin. 13% 97/02	£68¼	+½
Alliance Gas	53	.....
Arnott	220	.....
Carroll (P.J.)	71	.....
Concrete Prods.	90	.....
Helton (Hldgs.)	20	.....
Irish Ropes	36	.....
Jacob	70	.....
T.M.G.	8	.....
Unidare	44xd	.....

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	10	I.C.L.	5½	**Property**	
Barclays Bank	42	Ladbroke	15	Brit. Land	7½
Beecham	21	Legal & Gen.	19	Cap. Counties	10
Blue Circle	48	Lex Service	10	Land Secs.	28
Boots	19	Lloyds Bank	42	MEPC	20
Bowaters	24	"Lots"	6½	Peachey	14
Brit. Aerospace	17	London Brick	7	Samuel Props.	11
B.A.T.	38	Lucas Inds.	20	Town & City	3½
Brown (J.)	7	"Mams"	12	**Oils**	
Burton Ord.	15	Mrks. & Spncr	12	Brit. Petroleum	26
Cadburys	9	Midland Bank	30	Burmah Oil	10
Courtaulds	8	N.E.I.	9	Charterhall	6
Debenhams	7	Nat. West. Bank	38	KCA	14
Distillers	15	P & O Dfd.	14	Premier	6
Dunlop	6½	Plessey	32	Shell	30
Eagle Star	31	Racal Elect.	35	Tricentrol	22
F.N.F.C.	4	R.H.M.	6½	Ultramar	38
Gen. Accident	28	Rank Org. Ord.	28	**Mines**	
Gen. Electric	65	Reed Intnl.	26	Charter Cons.	25
Glaxo	42	Sears	6	Cons. Gold	45
Grand Met.	17	Tesco	5½	Lonrho	7
G.U.S. 'A'	45	Thorn EMI	42	Rio T. Zinc	42
Guardian	25	Trust Houses	12		
G.K.N.	15	Tube Invest.	13		
Hawker Sidd	30	Turner & Newall	11		
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

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FINANCIAL TIMES

Thursday March 25 1982

HERBERT
Machine Tool Technology British and Best.

WEINBERGER TO BACK BRITISH SUB-CONTRACT BIDS

U.S. and UK in Trident pact

BY REGINALD DALE, U.S. EDITOR, IN COLORADO

MR JOHN NOTT, the British Defence Secretary, and Mr Caspar Weinberger, his U.S. counterpart, yesterday agreed on a range of measures to help British industry bid for sub-contracts in the American Trident 2 missile programme.

The offer of such opportunities to British companies formed part of the recent deal under which the UK agreed to buy the newer more powerful Trident 2 (or D5) system, instead of the Trident 1 (or D4) to replace its Polaris independent nuclear deterrent.

The two men were attending a two-day meeting here of Nato's nuclear planning group. After the meeting the alliance's defence ministers officially welcomed the British Trident decision.

In their final communique the ministers said that in view of the continuing build up by the Soviet Union of its strategic forces they "supported the determination of the U.S. and the UK to ensure the deterrent capabilities of their strategic nuclear forces which are of fundamental importance to the alliance strategy."

Mr Nott and Mr Weinberger agreed that a team of U.S. technical experts would visit the UK in the near future, to brief British industry on how to set about bidding for subcontracts in the production of the Trident missile, which is also to be the major sea launched nuclear weapon in the U.S. arsenal in the 1990s.

Arrangements are also to be made for the establishment of a permanent U.S. representative office in London, which Mr Nott would like to see installed in the Ministry of Defence.

British industry is anxious to know precisely which pieces of Trident equipment will be open to bids from the UK.

British companies also want a full explanation of the very complex U.S. procurement procedures.

In the U.S. Mr Weinberger has agreed that the Pentagon will approach Lockheed, the programme's main co-ordinating contractor, and encourage the company and other prime contractors to look to British companies for components.

Mr Weinberger has also promised to deal with the problem of congressional amendments passed just before Christmas, which put major obstacles in the way of U.S. purchases of weapons and components from other countries.

There could be vast scope for British industry in a programme that could spread over 20 years at a cost of $9bn (£5bn) for development in the U.S., and $4.5bn for production of the missile. It is the first time that the UK has bought a major weapons system from the U.S. at such an early stage in its development. The missile is still at the research stage and is not due for deployment with U.S. forces until 1989 although this date could be brought forward.

The UK has been assured that Washington is genuinely willing to let British companies compete for a significant stake in the programme. The only anxiety on the UK side is that contracts gained on the Trident programme might displace British arms sales to the U.S. in other areas.

Senate blow to MX missile, Page 4

Reagan opposed to trade penalties

BY ANATOLE KALETSKY IN WASHINGTON

The Reagan Administration will oppose any attempt by Congress to impose trade penalties on particular countries, even if they restrict access of U.S. goods.

This undertaking was given yesterday by Mr William Brock, the U.S. Trade Representative and Mr Malcolm Baldrige, the Secretary of Commerce in testimony before the Senate trade sub-committee.

Statements by the two chief trade spokesmen in the Administration were intended to clear doubts at home and abroad about the U.S. Government's commitment to the existing multilateral framework for world trade embodied in the General Agreement on Tariffs and Trade (Gatt).

The testimony is the strongest stand the Administration has taken so far against the pressure in the Congress for trade "reciprocity" — the notion that the U.S. should restrict access to its market for other countries which restrict access to U.S. companies.

"We must not enact laws which will force U.S. trade policy to require bilateral, sectoral or product-by-product reciprocity. A distorted use of reciprocity could undermine an already vulnerable multilateral trading system," Mr Brock said.

Trade officials in Washington were stressing yesterday that the testimony was the result of consideration by President Reagan's whole Cabinet and represented President Reagan's definitive view of the matter.

There have been growing doubts about the Administration's true position on reciprocity. Speeches by Mr Baldridge in particular—against Japanese and European trading practices—have been interpreted by congressmen as encouragement for action against specific trade abuses.

But Mr Brock sought to quell Congressional concern about Japan's $18bn trade surplus with the U.S., the underlying cause of much of the reciprocity debate. It was stressed that existing laws provided a battery of weapons to deal with the situation, including formal complaints to Gatt.

Mr Brock stressed that trade in services—like banking, insurance and engineering — and freedom of investment not covered by Gatt, remain a focus of the Administration's trade policy.

President Reagan will ask Congress for additional powers to negotiate agreements leading to freer trade in services and investment, Mr Brock said. He will use tariffs, if necessary, as a weapon to press other countries to open their market to U.S. service industries.

Chancellor fears effect of U.S. deficit

By Max Wilkinson, Economics Correspondent

SIR GEOFFREY HOWE, the Chancellor, expressed anxiety yesterday about the trend of the U.S. budget deficit and its consequences for the European economies.

At the same time, he hinted to the Commons Treasury and the Civil Service Committee that there might be further concerted moves from the "capitals of Europe" to press the case for fiscal moderation.

Sir Geoffrey declined to give details of the conversations he had had with the U.S. authorities.

But he said: "I am not wringing my hands in despair. There is a limit to the impact I can have on the economic management of the U.S. but I seek to discuss the matter intelligently where it can be discussed."

Sir Geoffrey said that if U.S. interest rate levels were to rise sharply on a sustained basis "It would make it much more difficult for every one of the Western economies . . . That is the reason why I have been anxious about the U.S. Budget."

He told the committee he was worried that the profile of public borrowing now being presented to the U.S. Congress was "moving in the wrong direction."

He made a pointed contrast with his own policy of firmly reducing the budget deficit, and said he was very anxious to see a further lowering of UK interest rates within the limits of prudence.

Asked whether the UK might be forced to abandon hopes of lower rates if the U.S. trend turned upwards, the Chancellor said: "I happen to believe that when you are discussing policies of other states in public it is prudent to do so in terms that are less than strident."

But he said he had taken such steps as he could and Chancellor Helmut Schmidt of West Germany had done the same.

"We live in the world as it is. There is a limit to how much any of us can insulate ourselves," said Sir Geoffrey.

"I am trying to steer as sensibly as I can but there are other ships larger than our own in the economic sea. I do address messages to the captains of those other ships."

● In Washington Mr Donald Regan, U.S. Treasury Secretary, testifying before the House Budget committee, admitted that the severity of the recession in the U.S. economy will probably result in a larger Budget deficit in the 1983 fiscal year than the official $91.5bn (£50.8bn) forecast by the Administration.

Howe optimistic, Page 10
Economic viewpoint, Page 23

Changes planned in engineering industry apprentice scheme

BY ALAN PIKE

FUNDAMENTAL CHANGES in the organisation of training are being planned in two important sectors of industry to prevent apprentice intake slumping during economic recessions.

Both schemes—in engineering construction and electrical contracting—would take the responsibility for apprentice training away from individual employers and place it in the hands of the industry as a whole.

The moves are among the most significant developments at industry level since the Government launched its New Training Initiative last December.

The engineering construction scheme has been finalised and will begin operating in September. From then, all craft apprentices will be sponsored throughout their training by the Engineering Industry Training Board's mechanical and electrical engineering construction industry sector (MEECI), and not by individual companies.

Young people in the scheme will receive further education as well as job-related training, and will reach skilled status only after they have achieved specified standards.

They will also have the status of trainees and will receive training allowances rather than wages. These will be determined by a national joint council representing employers and unions and will be £27.50 a week net of deductions for first year entrants when the scheme starts in September.

Skill shortage

The engineering construction industry has an annual intake of only about 200 apprentices, but the scheme shares many common features with the proposals being considered by the electrical contracting employers and unions.

This could lead to the recruitment of some 3,000 young people a year. The aim is to eliminate the problem of skill shortages which arise when apprentice recruitment drops during recessions.

Employers and union leaders would decide at national level on the number of apprentices required by the industry. This decision would be related to projected manpower needs rather than as at present the immediate requirements of individual employers.

Young people would, like the engineering apprentices, be regarded as trainees and paid allowances. But although considerable agreement has been reached on the new scheme there are still outstanding issues to be resolved.

These include the status of the industry's existing 9,000 apprentices, so it is uncertain whether it will be ready for implementation in September.

The decision to pay trainees allowances rather than wages may prove to be particularly significant. Apprentice rates in Britain are high compared with, for example, West Germany, and Ministers believe that high initial pay rates are pricing young people out of jobs.

An allowances system may eventually help remove trainee rates from direct pay bargaining, even though the initial engineering construction allowance will be related to apprentice rates.

Morton-Norwich sale challenged

BY DAVID LASCELLES IN NEW YORK

RHONE-POULENC, the French chemicals and drugs company, has filed a suit in the U.S. against Morton-Norwich to sell its pharmaceuticals division to Procter and Gamble, the household products manufacturer.

Rhone-Poulenc claims the deal would violate a 1978 agreement it had with Morton-Norwich under which it took a 20.3 per cent interest in the U.S. company and agreed to exchange technology and research.

The suit, which names both Morton-Norwich and Procter and Gamble, seeks an injunction preventing consummation of the deal or, alternatively, damages and remission of the 1978 agreement.

Neither of the U.S. companies had any immediate comment on the suit, though both said when the deal was announced that they expected Procter and Gamble to assume the technology agreement with Rhone-Poulenc.

Morton-Norwich, which primarily makes salt-based products, is believed to have considered buying out Rhone-Poulenc with the proceeds of the $371m (£205m) sale.

Procter and Gamble will be concerned if the deal is in jeopardy because it represents a major diversification and is a key element of its growth strategy.

Rhone-Poulenc, which was recently nationalised, said in Paris yesterday that Morton-Norwich had offered to sell it the pharmaceuticals division but the price had been too high.

When Morton-Norwich turned to Procter and Gamble, Rhone-Poulenc was forced to open legal proceedings.

Continued from Page 1

Jenkins

evidence that he has been taking votes from Labour, particularly among the young, though the polls imply that his support is being squeezed as polling day has approached.

The result will have a considerable short-term political impact. The victory of Mr Jenkins would make it almost certain that he becomes the leader of both the SDP and the Alliance as a whole. It would also boost the party's recently faltering political momentum ahead of the local elections in May.

At the last general election the date Sir Thomas Galbraith had a majority of 2,002 over Labour.

Continued from Page 1

Vickers

contracts for engines for battle tanks for Iran, he said. Vickers would receive a total of £11.7m, of which £6.9m would be in cash and the balance in the form of fixed assets.

"The settlement, while it did not compensate for the total damage done to the diesel business, does provide some alleviation."

The group's appeal to the European Commission on Human Rights on the compensation of £62m paid for its nationalised aircraft and shipbuilding businesses had not progressed.

The rights issue has been underwritten by Lazard Brothers.

Continued from Page 1

Shell

of the group—said current cost losses would have been much more severe last year but for strenuous cost-cutting exercises. In recent years staff had been reduced from 12,000 to 9,000

Shell's chemicals business made an operating loss—on an historic basis—of about £45m last year compared with a deficit of £66m in 1980. Mr Keith Walley, managing director of Shell Chemicals, said that 1981 had been a "damned difficult year." The poor results of the base chemicals and plastics businesses had swamped the other operations—such as agricultural and speciality chemicals—which had fared better.

Closed shop row looms at BL car plants

By Arthur Smith, Midlands Correspondent

BL CARS' bid to reform its industrial relations could run into trouble over the controversial issue of the closed shop and the Employment Bill now before Parliament.

The company, which is conducting a wholesale review of bargaining procedures, could find itself an unwitting test case for the Bill, which the unions rigorously oppose.

Union negotiators, anxious to maintain the strength of the closed shop, are demanding the rewording of a procedure agreement to stress that union membership should be a condition of employment.

The company is believed to have warned that the issue could cause a breakdown of negotiations.

Mr Geoff Armstrong, employee relations director, is thought to have said that BL did not want to be either provocative or difficult and it did not want to break new ground in areas surrounding union membership.

The company was reluctant to get into the position of being forced to run ballots on the closed shop. And he warned of the potential instability that could arise from legal questions interfering with industrial relations.

Mr Armstrong said the company's wording on union recognition would prevent people provoking difficulties in order to attract large sums of money in compensation for wrongful dismissal.

The debate focuses on the fine print of the deal, but the issues are large. BL clearly does not want to be in breach of the impending legislation. Nor do the unions, who are publicly opposed to the Bill, want to be seen as signatories of a deal that embodies its principles.

The hope on both sides must be that a form of words can be devised to avoid such a sharp confrontation. The unions, for their part, are aware there might not be the rank and file support for a battle over an issue of principle.

The closed shop applies to varying extents throughout BL Cars' 30 plants. But it tends to exist by custom and practice rather than being embodied in agreements. Some union officials argue against the militants that the defence of the closed shop should be mounted not over the procedure agreement but on a pragmatic basis.

Both management and union leaders refused last night to comment on the details of the negotiations, but were "hopeful" that the deal would be struck.

The talks were set up last November in the wake of the crisis following the all-out strike by manual workers in protest at the company's 3.8 per cent pay offer.

TUC unites, Page 9

Weather

UK TODAY

GENERALLY WARM. Bright intervals in most places but some drizzle and fog.

England, Wales, Glasgow, E. Scotland, N. Ireland
Mist or fog in places at first. Dry and sunny. Max. 15C (59F).

Rest of Scotland
Mostly cloudy, fog or drizzle on coasts. Max. 10C (50F).

Outlook: Little change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	12	54	L. Ang.†	F	11	52
Algiers	C	14	57	Luxmbg.	S	10	50
Amsdm.	F	4	39	Luxor	S	26	79
Athens	C	8	43	Madrid	S	11	52
Bahrain	—	—	—	Majorca	C	12	54
Barclna.	F	13	55	Malaga	C	17	63
Beirut	—	—	—	Malta	C	15	59
Belfast	C	11	52	Mchstr.	S	12	54
Belgrd.	S	8	43	Melbne.	—	—	—
Berlin	S	10	50	Mx. C.†	—	—	—
Biarritz	C	18	64	Miami†	—	—	—
Bmghm.	S	12	54	Milan	S	13	55
Blackp'l	S	9	48	Montr'l†	C	-2	28
Bordx.	F	14	57	Moscow	S	4	39
Boulgn.	F	9	48	Munich	S	7	45
Bristol	S	13	55	Nairobi	F	30	86
Brussels	F	5	41	Naples	C	14	57
Budpst.	S	7	45	Nassau	—	—	—
Cairo	F	22	72	Nwcstl.	C	11	52
Cardiff	S	10	50	N York†	—	—	—
Casbca.	S	18	64	Nice	F	12	54
Cape T.	S	16	61	Nicosia	—	—	—
Chicg.†	C	3	37	Oporto	S	17	63
Cologne	S	11	52	Oslo	C	3	37
Cpnhgn.	F	14	57	Paris	S	10	50
Corfu	S	17	63	Perth	S	26	79
Denver†	F	-1	30	Prague	S	8	46
Dublin	S	12	54	Rykjvk.	C	4	39
Dbrvnk.	S	15	59	Rhodes	C	16	61
Ednbgh.	F	8	46	Rio J'o†	—	—	—
Faro	S	19	66	Rome	C	14	57
Florence	F	13	55	Salzb'rg	S	8	46
Frankf't	S	10	50	S'ciscot	—	—	—
Funchal	C	17	63	S. M'ritz	—	—	—
Geneva	S	12	54	Singapr.	C	31	88
Gibrltr.	C	18	64	Stckhm.	C	4	39
Glasg'w	C	11	52	Strasb'g	S	10	50
G'rnsey	S	8	46	Sydney	—	—	—
Helsinki	C	1	34	Tangier	S	19	66
H. Kong	S	19	66	Tel Aviv	S	19	66
Innsbr'k	S	8	46	Tenerife	S	21	70
Invrnss.	C	12	54	Tokyo	C	16	61
I.o.Man	S	10	50	Toronto†	—	—	—
Istanbul	C	3	37	Tunis	F	15	59
Jersey	S	11	52	Valencia	F	11	52
Jo'burg	S	24	75	Venice	S	12	54
L. Pims.	S	19	66	Vienna	S	8	46
Lisbon	S	19	66	Warsaw	S	7	45
Locarno	S	12	54	Zurich	S	8	46
London	S	10	50				

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Funding Vickers' new Rolls

So far, at least, the record since the merger is inconclusive. Yesterday's preliminary statement for 1981 shows pre-tax profits at £24.6m, which compares with £19.7m in 1980 excluding interest on nationalisation compensation. However, £6m derives from the lower level of sterling and another £2.9m from a higher level of compensation over the Iranian tank contract. Meanwhile cars are in one of their rare cash-generating phases. At any rate, the issue must set some kind of recent record; at 133p, the yield on the new shares approaches 13 per cent.

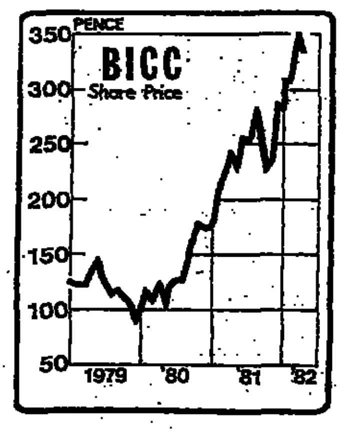
Rolls-Royce Motors gained something of a reputation for coming to the market for funds, and it looks as if this is one of the traditions Vickers has taken over since the merger in 1980. Yesterday's rights call for £23.3m net has been well signalled; indeed it seems that plans to announce it last autumn were overtaken by September's Black Monday rout in the stock market. Whatever the timing, the issue seems somewhat at odds with the original merger reasoning that "the broader based group, backed with substantial financial resources, and with greatly reduced gearing, will be better able to prosper in the future."

With a return on capital below what can be obtained in the money markets, and a market capitalisation of around half net assets, Vickers has some convincing to do. Essentially it wants the cash to reduce an uncomfortable level of net debt from 55 to 39 per cent of shareholders' funds. So the only justification for the issue is a solid improvement in overall profitability.

BICC

BICC's shares have enjoyed a cracking re-rating in the last couple of years, and figures like yesterday's, with pre-tax profits rising from £74.6m to £101.9m for 1981, help to show why. At the attributable level the picture is not quite so glossy, since all the growth has come in the international businesses which have big minority shareholders; moreover the fall of sterling has increased overseas profits on translation by £11.2m. Still, a decline of only 7 per cent in the UK based divisions looks a very fair performance given the depth of the recession in contracting and an 11 per cent fall in volume in the UK cables business.

Index fell 1.7 to 562.6



After a period in which capital account was neglected the new-look BICC is now laying out much more than its current cost depreciation charge. This year should see some recovery in UK profits, and there will also be a boost from the absence of £8m of redundancy costs above the line. Overseas growth is likely to slow, but with a full year of its recent acquisitions BICC could top £120m pre-tax at current exchange rates, for something over 20p of fully-taxed earnings per share on the increased capital.

Gearing is very conservatively stated as a 40 per cent debt/equity ratio; taking minorities into shareholders' funds and netting cash off short-term borrowings the figure comes down to 16 per cent. There is plenty of room for growth in fields such as fibre optics, but the high technology image has probably been pushed far enough for the time being. At 335p, down 10p yesterday, the shares yield 4.5 per cent on a dividend 1½ times covered by current cost earnings.

Insurance

Yesterday's results from the insurance sector confirmed that 1981 was a good year to stay at home. Both the Prudential and Eagle Star have reported a marked deterioration in overseas underwriting and in some areas, notably Australia, can look forward to little better this year.

Ominously, the UK underwriting position is now coming under considerable pressure, particularly in commercial lines. The insurers have emerged from an exceptionally severe winter with volume showing little real growth. But this has not prevented either company from bumping up its final payment, at some cost to dividend cover.

For Eagle Star, there are other factors at work. The 12 per cent improvement to £73.8m pre-tax may arouse more interest in Munich than it does in London. Allianz could return to the attack in June but, at 385p, the shares already contain a healthy bid premium, and Allianz can afford to wait.

Eagle Star's solvency margin is very strong at 87 per cent and it would be surprising if net tangible assets per share were less than 500p at market values. This is all very tempting but, even after yesterday's promised dividend hike, the yield is only 5.7 per cent.

The Prudential has other worries. 1981 saw a strong improvement in investment income and remarkable resilience from the life business. But the marginal improvement in net profits to £43.2m disguises serious problems in general insurance, which has gone into net loss to the tune of £8.2m. General Insurance should show some recovery in 1982 but, at last night's price of 232p, the main attraction of the shares must be a prospective yield of around 9 per cen.

Arthur Bell

When a whisky company stops growing, initial results are enough to make the mouth water. Without the need to expand stocks of maturing product, cash starts pouring in. This is exactly what has happened to Bell in the six months to December, and there has also been an accompanying boost to pre-tax profits, which have jumped by 52 per cent to £14.9m.

Overall whisky volume is down slightly, with a 14 per cent increase in exports insufficient to counterbalance a decline in the UK of about 14 per cent, in line with the market. The resulting stock adjustments, based on lower sales projections, have reduced the interest costs of carrying maturing product as well as allowing the company to reduce the amount of higher-priced bought-in materials.

This year the cash inflow may approach £15m, which makes the rights issue 15 months gao look odder thn ever. The shares rose 1p yesterday to 186p, with a prospective yield of 4 per cent, less than half that on Distillers.

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